

116TH CONGRESS
2D SESSION

S. 4470

To authorize the Secretary of Agriculture to subsidize payments on loans made under certain rural development loan programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2020

Mr. TESTER (for himself, Mr. KING, Mr. ROMNEY, Mrs. SHAHEEN, Mr. COONS, and Mr. PERDUE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To authorize the Secretary of Agriculture to subsidize payments on loans made under certain rural development loan programs, 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 Equal Aid Act
5 of 2020”.

6 **SEC. 2. SUBSIDY FOR CERTAIN RURAL DEVELOPMENT**
7 **LOAN PAYMENTS.**

8 (a) DEFINITION OF COVERED LOAN.—In this sec-
9 tion, the term “covered loan” means—

1 (1) a community facilities guaranteed loan
2 under section 306(a) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1926(a));

4 (2) a business and industry guaranteed loan
5 under section 310B(g) of that Act (7 U.S.C.
6 1932(g));

7 (3) a loan that is made by an intermediary
8 lender to an ultimate recipient using a loan received
9 under section 1323 of the Food Security Act of
10 1985 (7 U.S.C. 1932 note; Public Law 99–198); and

11 (4) a loan that is made by a microenterprise de-
12 velopment organization to a microentrepreneur
13 under section 379E of the Consolidated Farm and
14 Rural Development Act (7 U.S.C. 2008s).

15 (b) PRINCIPAL AND INTEREST PAYMENTS.—

16 (1) IN GENERAL.—The Secretary of Agriculture
17 (referred to in this section as the “Secretary”) shall
18 pay the principal, interest, and any associated fees
19 that are owed on a covered loan in a regular serv-
20 icing status—

21 (A) with respect to a covered loan made
22 before the date of enactment of this Act and
23 not on deferment, for the 6-month period begin-
24 ning with the next payment due on the covered
25 loan;

1 (B) with respect to a covered loan made
2 before the date of enactment of this Act and on
3 deferment, for the 6-month period beginning
4 with the next payment due on the covered loan
5 after the deferment period; and

6 (C) with respect to a covered loan made
7 during the period beginning on the date of en-
8 actment of this Act and ending on the date that
9 is 6 months after that date of enactment, for
10 the 6-month period beginning with the first
11 payment due on the covered loan.

12 (2) TIMING OF PAYMENT.—The Secretary shall
13 begin making payments under paragraph (1) on a
14 covered loan not later than 30 days after the date
15 on which the first payment described in that para-
16 graph is due.

17 (3) APPLICATION OF PAYMENT.—Any payment
18 made by the Secretary under paragraph (1) shall be
19 applied to the covered loan such that the borrower
20 is relieved of the obligation to pay that amount.

21 (c) OTHER REQUIREMENTS.—The Secretary shall—

22 (1) communicate and coordinate with the Fed-
23 eral Deposit Insurance Corporation, the Office of the
24 Comptroller of the Currency, and State bank regu-
25 lators to encourage those entities to not require

1 lenders to increase their reserves on account of re-
2 ceiving payments made by the Secretary under sub-
3 section (b);

4 (2) waive statutory limits on maximum loan
5 maturities for any covered loan durations where the
6 lender provides a deferral and extends the maturity
7 of covered loans during the 1-year period following
8 the date of enactment of this Act; and

9 (3) when necessary to provide more time be-
10 cause of the potential of higher volumes, travel re-
11 strictions, and the inability to access some properties
12 during the COVID–19 pandemic, extend lender site
13 visit requirements to—

14 (A) not more than 60 days (which may be
15 extended at the discretion of the Secretary)
16 after the occurrence of an adverse event, other
17 than a payment default, causing a loan to be
18 classified as in liquidation; and

19 (B) not more than 90 days after a pay-
20 ment default.

21 (d) EFFECT.—Nothing in this section limits the au-
22 thority of the Secretary to make payments pursuant to
23 subsection (b) with respect to a covered loan solely because
24 the covered loan has been sold in the secondary market.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary such
3 sums as are necessary to carry out this section.

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