

# Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

#### Guarantee Fee Rates for Guaranteed Loans for Fiscal Year 2014; Maximum Portion of Guarantee Authority Available for Fiscal Year 2014; Annual Renewal Fee for Fiscal Year 2014

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice.

**SUMMARY:** As set forth in 7 CFR 4279.107, the Agency has the authority to charge an initial guarantee fee and an annual renewal fee for loans made under the Business and Industry (B&I) Guaranteed Loan Program. Pursuant to that authority, the Agency is establishing the renewal fee rate at one-half of 1 percent for the B&I Guaranteed Loan Program. This rate will apply to all loans obligated in Fiscal Year (FY) 2014 that are made under the B&I program. As established in 7 CFR 4279.107(b)(1), the amount of the fee on each guaranteed loan will be determined by multiplying the fee rate by the outstanding principal loan balance as of December 31, multiplied by the percent of guarantee.

The Consolidated and Further Continuing Appropriations Act of 2013 set funding levels according to those established by the 2012 Appropriations Bill. This authorized the Agency to charge a maximum of 3 percent for its guarantee fee for FY 2013. It is the Agency's expectation that the 2014 Appropriations Bill will contain the same authorization to charge a maximum of 3 percent for its guarantee fee for FY 2014. As such, the guarantee fee for FY 2014 will be 3 percent. In the event the 2014 Appropriations Bill reduces the fee authorization below 3 percent, a subsequent notice will be published in the **Federal Register** amending the guarantee fee for FY 2014.

As set forth in 7 CFR 4279.107(a) and 4279.119(b)(4), each fiscal year, the Agency shall establish a limit on the maximum portion of B&I guarantee authority available for that fiscal year that may be used to guarantee loans with a reduced guarantee fee or guaranteed loans with a guarantee percentage exceeding 80 percent.

Allowing a reduced guarantee fee or exceeding the 80 percent guarantee on certain B&I guaranteed loans that meet the conditions set forth in 7 CFR 4279.107 and 4279.119 will increase the Agency's ability to focus guarantee assistance on projects which the Agency has found particularly meritorious. For reduced guarantee fees, the borrower's business must support value-added agriculture and result in farmers benefiting financially or must be a high impact business investment as defined in 7 CFR 4279.155(b)(5) and be located in rural communities that experience long-term population decline and job deterioration, remain persistently poor, are experiencing trauma as a result of natural disaster, or are experiencing fundamental structural changes in its economic base. For guaranteed loans exceeding 80 percent, such projects must qualify as a high-priority project (a requirement of 7 CFR 4279.119(b)), scoring at least 50 points in accordance with 7 CFR 4279.155(b).

Not more than 12 percent of the Agency's quarterly apportioned B&I guarantee authority will be reserved for loan requests with a reduced fee, and not more than 15 percent of the Agency's quarterly apportioned guarantee authority will be reserved for guaranteed loan requests with a guarantee percentage exceeding 80 percent. Once the respective quarterly limits are reached, all additional loans for that quarter will be at the standard fee and guarantee limits.

**DATES:** *Effective Date:* December 18, 2013.

#### FOR FURTHER INFORMATION CONTACT:

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**SUPPLEMENTARY INFORMATION:** This action has been reviewed and determined not to be a rule or regulation

as defined in Executive Order 12866, as amended by Executive Order 13258.

Dated: November 27, 2013.

**Lillian E. Salerno,**

*Administrator, Rural Business-Cooperative Service.*

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## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

#### Maximum Loan Amount for Business and Industry Guaranteed Loans in Fiscal Year 2014

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice.

**SUMMARY:** Section 4279.119(a)(1) of 7 CFR allows the Rural Business-Cooperative Service Administrator, at the Administrator's discretion, to grant an exception to the \$10 million limit for Business and Industry (B&I) guaranteed loans of \$25 million or less under certain circumstances. Due to the limited program funds that are expected for Fiscal Year (FY) 2014 for the B&I Guaranteed Loan Program, the Administrator has decided to only grant exceptions to the \$10 million loan limit for existing B&I guaranteed loan borrowers that meet certain criteria. Limiting the maximum loan amount will enable the Agency to provide financing assistance to as many projects as possible. In order for an existing B&I guaranteed loan borrower to be granted an exception to the \$10 million loan limit, they must meet the following criteria: (1) Qualify as a high priority project (a requirement of 7 CFR 4279.119(a)(1)(i)), scoring at least 50 points in accordance with the criteria in 7 CFR 4279.155(b); (2) have an existing B&I loan that has been current for the past 12 months without such status being achieved through debt forgiveness; and (3) not be requesting a refinance of the existing B&I loan. All other requirements of 7 CFR 4279.119(a) must be met. Limiting exceptions to the \$10 million limit will allow the Agency to guarantee more loans and target smaller loans/projects impacting more small businesses and will assist the Agency to conserve scarce funding dollars at a time when there is unprecedented interest in the program.