II

117TH CONGRESS
1ST SESSION

S. 978

To provide for the adjustment or modification by the Secretary of Agriculture of loans for critical rural utility service providers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2021

Ms. SMITH (for herself, Mr. HOEVEN, Ms. SINEMA, Mr. BOOZMAN, Mrs. CAPITO, Mr. SCHATZ, Mr. CORNYN, Mr. KELLY, Mr. CRAMER, Ms. HIRONO, Mr. DAINES, Ms. KLOBUCHAR, Ms. ERNST, Mr. TESTER, Mr. INHOFE, Mr. PETERS, Mr. MORAN, Mr. ROUNDS, Mr. SCOTT of South Carolina, Mr. TILLIS, Mr. MARSHALL, and Ms. BALDWIN) 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 provide for the adjustment or modification by the Secretary of Agriculture of loans for critical rural utility service providers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Flexible Financing for Rural America Act of 2021''.

SEC. 2. LOAN ADJUSTMENTS FOR CRITICAL RURAL UTILITY SERVICE PROVIDERS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the borrower of a qualified loan described in subsection (b) may submit to the Secretary of Agriculture (referred to in this section as the ''Secretary'') a request to adjust the interest rate or modify any other term of the qualified loan, which shall include a report summarizing how the adjustment or modification will assist the borrower in providing critical utility services to a rural community.

(b) QUALIFIED LOAN DESCRIBED.—A qualified loan referred to in subsection (a) is a loan made or guaranteed on or before the date of enactment of this Act under—

(1) section 4, 201, 305, 306, or 601 of the Rural Electrification Act of 1936 (7 U.S.C. 904, 922, 935, 936, 950bb); or

(2) the program carried out under the matter under the heading ''DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM'' in title I of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 118) (commonly known as the ''Broadband Initiatives Program'').

(c) ADJUSTMENT OF INTEREST RATE; MODIFICATION OF LOAN TERMS.—

(1) IN GENERAL.—On receipt by the Secretary of a request made under subsection (a) with respect to a loan, the Secretary, or the Secretary of the Treasury in the case of a loan owned by the Federal Financing Bank—

(A) in the case of a request for an interest rate adjustment, shall adjust the interest rate on the loan to the cost of funds to the Department of the Treasury for obligations of comparable maturity to the term remaining on the outstanding balance of the loan or other such higher rate as the borrower may request; and

(B) in the case of a request for a modification to a loan term other than the adjustment described in subparagraph (A), may use the authorities provided in sections 2, 201, 306C, and 703 of the Rural Electrification Act of 1936 (7 U.S.C. 902, 922, 936c, 950cc–2) and section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) to make such other modifications to the loan terms that the Secretary, in consultation with the Secretary of the Treasury in the case of a loan owned by the Federal Financing Bank, determines are necessary—

(i) to address changes in the financial position of the borrower due to the public health emergency declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. 247d) on January 31, 2020, with respect to COVID–19 (or any renewal of that declaration); and

(ii) to promote the financial sustainability of the borrower.

(2) EFFECTIVE DATE.—An adjustment or modification under subparagraph (A) or (B), respectively, of paragraph (1) shall apply—

(A) beginning on the first calendar day after the payment date immediately following the request; but

(B) not earlier than 30 days after the date of the request.

(d) NO FEES OR PENALTIES.—In carrying out this section, the Secretary, or the Secretary of the Treasury in the case of a loan owned by the Federal Financing Bank, shall not impose or collect any fee from, or impose any penalty on, a borrower.

(e) NOTICE.—Not later than 30 days after the date of enactment of this Act, the Secretary, in coordination with the Secretary of the Treasury, shall publish in the Federal Register a notice of the benefits available to borrowers under this section.

(f) APPROPRIATIONS; REIMBURSEMENTS.—

(1) IN GENERAL.—Out of any amounts in the Treasury not otherwise appropriated—

(A) there are appropriated to the Secretary such sums as are necessary, to remain available until December 31, 2021, for the cost of interest rate adjustments under subsection (c)(1)(A);

(B) there is appropriated to the Secretary $300,000,000, to remain available until December 31, 2021, for the cost of modifications under subsection (c)(1)(B); and

(C) there are appropriated to the Federal Financing Bank such sums as are necessary, to remain available until December 31, 2023, for the liquidation of residual intragovernmental amounts owed by the Federal Financing Bank in connection with qualified loans described in subsection (b) modified after the date of enactment of this Act.

(2) CALCULATION.—For purposes of paragraph (1)(C), the calculation of the sums necessary for the

liquidation of residual intragovernmental amounts owed shall take into account all amounts otherwise transferred to the Federal Financing Bank for the qualified loans described in that paragraph.

(3) EMERGENCY DESIGNATION.—

(A) IN GENERAL.—The amounts provided by this Act are designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).

(B) DESIGNATION IN SENATE.—In the Senate, this Act is designated as an emergency requirement pursuant to section 4112(a) of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018.

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