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XII. *Issuance of State Supplement:* A State Supplement will be issued to provide guidance on appraising citrus groves, and projecting Farm and Home Plans or Coordinated Financial Statements during the period of grove rehabilitation and/or reestablishment. This Supplement will also contain examples of how loan installments may be scheduled during the period of adjustment. (See paragraph VIII of this exhibit.)

[50 FR 7567, Feb. 22, 1985, as amended at 50 FR 48176, Nov. 22, 1985; 51 FR 13574, Apr. 21, 1986; 53 FR 30412, Aug. 11, 1988]

PART 1946—MEDIATION

Subpart A—Agricultural Loan Mediation Program

Sec.

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AUTHORITY: 7 U.S.C. 1989; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

SOURCE: 53 FR 32599, Aug. 26, 1988, unless otherwise noted.

Subpart A—Agricultural Loan Mediation Program

§ 1946.1 General.

(a) This subpart provides procedures for administration of the agricultural loan mediation program whereby a State may be certified by the Farmers Home Administration (FmHA) or its successor agency under Public Law 103–354 as a qualifying State for purposes of FmHA or its successor agency under Public Law 103–354 and other USDA agencies' participation in the program. Such certification is also necessary for a State to receive Federal matching grant funds to be used for the operation and administration of the State's agricultural loan mediation program.

(b) FmHA or its successor agency under Public Law 103–354 will participate in mediations conducted pursuant to a State's agricultural loan mediation program under the same terms and conditions applicable to agricultural creditors generally, and will cooperate in good faith in such mediations by complying with requests for information and analysis, and in presenting and exploring debt restructuring proposals, wherever feasible, when that State is and remains a qualifying State as defined in § 1946.2(b) of this subpart.

§ 1946.2 Definitions.

(a) *Agricultural Loan Mediation Program.* A State authorized or administered program which meets the requirements for certification outlined in § 1946.3(a)(2) (i) through (v) of this subpart.

(b) *Qualifying State.* A State which has been certified by FmHA or its successor agency under Public Law 103–354 as having an agricultural loan mediation program which meets the requirements outlined in § 1946.3(a)(2) (i) through (v) of this subpart, provided the State's certification has not expired or been withdrawn under the provisions of § 1946.5(c) of this subpart.

§ 1946.3 Process for certification.

(a) No later than August 1, of each year, the Governor of a State or Head of a State agency designated by the Governor of a State must submit a written request to the FmHA or its successor agency under Public Law 103–354 if the State wishes to be certified as a qualifying State for the purposes of FmHA or its successor agency under Public Law 103–354 participation in the State's program and for the State to receive a matching grant to be used for the operation and administration of the program within the State during the fiscal year commencing October 1 of that same year. The request must include:

(1) A description of the State's agricultural loan mediation program.

(2) Documentary information to support the request and a certification by the Governor or Head of a State agency designated by the Governor that the State's agricultural loan mediation program:

(i) Provides for mediation services to be provided to producers, and their creditors, that, if decisions are reached, result in mediated, mutually

agreeable decisions between the parties under the program;

(ii) Is authorized or administered by an agency of the State government or by the Governor of the State;

(iii) Provides for the training of mediators;

(iv) Provides that the mediation session shall be confidential; and

(v) Ensures that all lenders and borrowers of agricultural loans receive adequate notification of the mediation program.

(b) If the State is a qualifying State at the time the written request is made, the written request need only describe the changes to the program since the previous year's request together with such documentary support as may be necessary concerning such changes, as well as a certification that the remaining elements of the program remain as described in the previous application.

(c) The request for certification should be mailed to:

Administrator, Farmers Home Administration or its successor agency under Public Law 103–354, U.S. Department of Agriculture, 14th Street and Independence Avenue SW., Room 5014, Washington, DC 20250.

(d) If a matching grant is requested in accordance with §1946.4 of this subpart, the request for certification also must include the information required by §1946.4 (e)(2) of this subpart.

(e) Within 15 days from receipt of the request for certification, the Administrator will notify the State Governor or Head of a State agency designated by the governor whether or not the State is certified as a qualifying State as defined in §1946.2(b) of this subpart, or, if additional information or clarification is needed to make the determination, the Administrator will advise the State Governor or Head of a State agency of the additional information or clarification needed. Upon receipt of the additional information or clarification requested, the Administrator will respond within 15 days from the date of receipt.

§1946.4 Matching grants.

(a) *Administration of grants.* FmHA or its successor agency under Public Law 103–354 will administer the program in accordance with the requirements of 7 CFR parts 3015 and 3016. Any State requesting a grant must comply with the provisions of those regulations.

(b) *Source of funds.* All grants awarded to qualifying States will be made from appropriated funds specifically for this program. A statement of the amounts appropriated, obligated, and remaining available for the program at any particular time will be given to any person upon request to FmHA or its successor agency under Public Law 103–354.

(c) *Amount of grant.* A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its Agricultural Loan Mediation Program which has been certified by the Administrator as meeting the requirements of §1946.3 (a)(2) (i) through (v) of this subpart. In no case will the total amount of a grant exceed $500,000 annually.

(d) *Distribution criteria.* If funds for grants are appropriated on a fiscal year basis, funds will be obligated on a prorata basis to all States whose programs are certified at the beginning of the fiscal year. States certified after the beginning of the fiscal year will receive a share of funds not previously obligated. If, however, when funds for a fiscal year become available, there are not sufficient funds to give all qualified States 70 percent of their justified estimated expenses for the fiscal year, the percentage allocation to each State will be reduced so as to give all States the same percentage of their expenses. If after the percentage calculation any State's allocation still exceeds $500,000, that State's share will be further reduced to $500,000 and the remaining States' shares will be increased by the same percentage.

(e) *Eligibility criteria for amount of grant requested.* To be eligible to receive the amount of grant requested, a State must:

(1) Have an Agricultural Loan Mediation Program that has been certified by the Administrator in accordance with §1946.3 of this subpart, which certification has not been withdrawn in accordance with §1946.5 (c) of this subpart.

(2) Provide detailed estimates of the costs of operating and administering

the State's Agricultural Loan Mediation Program.

(f) *Grant purposes.* (1) Grants made under this subpart will be used solely for the operation and administration of the State's Agricultural Loan Mediation Program. There is no other authorized use of grant funds. Eligible costs are limited to those allowable under 7 CFR 3016.22 that are reasonable and necessary to carry out the mission of the State's Agricultural Loan Mediation Program in providing mediation services for agricultural producers and their creditors within the State, such as:

(i) Salaries of professional, technical, and clerical staffs;

(ii) Payment of necessary, reasonable office expenses such as office rental, office utilities, and office equipment rental;

(iii) Purchase of office supplies;

(iv) Payment of administrative costs, such as workers' compensation, liability insurance, employer's share of social security, and travel that is necessary to provide mediation services;

(v) Training for mediators; and

(vi) Secretary systems necessary to assure confidentiality of mediation sessions.

(2) Grant funds may not be used for:

(i) The purchase of capital assets, real estate, or vehicles or repair and maintenance of privately-owned property;

(ii) Political activities; and

(iii) Routine administrative activities not allowable under OMB Cost Principles.

(g) *Application processing.* (1) FmHA or its successor agency under Public Law 103–354 will have 60 days from the date of certifying a State as a qualifying State to review the State's application and supporting information for a grant, mail the obligation document to the responsible State Government official for signature, to obligate funds, and notify the State of approval. In any case where additional information/clarification is needed for processing a grant application, the 60-day time limit will begin on the date the additional information of clarification is received. FmHA or its successor agency under Public Law 103–354 will notify the Governor or Head of a State agency within 15 days of receipt of the application for a grant if information/clarification is needed.

(2) A State requesting a matching grant will submit to the Administrator:

(i) Standard Form 424, ''Federal Assistance.'' The application form can be obtained from any FmHA or its successor agency under Public Law 103–354 office.

(ii) The information prescribed in paragraph (e)(2) of this section.

(h) *Grant approval.* (1) The Administrator will notify the Governor or Head of the State agency designated by the Governor of grant approval by mailing, on the obligation date, a copy of the completed Form FmHA or its successor agency under Public Law 103–354 1940–1, ''Request for Obligation of Funds.'' The Form FmHA or its successor agency under Public Law 103–354 1940–1 will indicate that the grant is subject to the requirements of 7 CFR parts 3015 and 3016, this subpart, and will cite any special grantee conditions.

(i) *Fund disbursement or grant termination or major changes.* (1) Qualifying States approved to receive matching grants under this subpart will receive payment in accordance with 7 CFR parts 3015 and 3016.

(2) In the case of a grant reduction, termination or withdrawal of certification, in accordance with § 1946.5 (c) of this subpart, or major changes in the scope of the State's Agricultural Loan Mediation Program, the Administrator, or designee, will execute Form FmHA or its successor agency under Public Law 103–354 1940–10, ''Cancellation of U.S. Treasury Check and/or Obligation,'' to stop further disbursement of funds under the Grant Agreement.

(j) *Financial management systems and reporting requirements.* (1) States receiving grants must comply with standards for the financial management and reporting and program performance reporting found in 7 CFR parts 3015 and 3016.

(2) Qualifying States receiving matching grants must provide to the FmHA or its successor agency under Public Law 103–354 State Office by September 30 an annual report on:

(i) The effectiveness of the State's Agricultural Loan Mediation Program;

(ii) Recommendations for improving the delivery of mediation services to producers; and

(iii) The savings to the State as a result of having an Agricultural Loan Mediation Program.

(3) FmHA or its successor agency under Public Law 103–354 State Offices will include any comments or recommendations regarding the State's Agricultural Loan Mediation Program and mail the information to the Administrator no later than November 1.

[53 FR 32599, Aug. 26, 1988, as amended at 58 FR 65873, Dec. 17, 1993]

§ 1946.5 Monitoring compliance and penalty for non-compliance.

(a) *FmHA or its successor agency under Public Law 103–354 monitoring.* The FmHA or its successor agency under Public Law 103–354 Assistant to the Assistant Administrator, Farmer Programs, will monitor compliance of the State's Agricultural Loan Mediation Program through the reports received in accordance with § 1946.4(j) of this subpart, through information received from FmHA or its successor agency under Public Law 103–354 field offices and the public, and through on-site visits to observe the operation and administration of the program.

(b) *Audit.* The qualifying State is subject to the audit requirements of 7 CFR parts 3015 and 3016 of this chapter. An audit report will be submitted to the FmHA or its successor agency under Public Law 103–354 Administrator annually or biennially as applicable in accordance with OMB Circular A–128 by each qualifying State receiving a grant.

(c) *Penalty for non-compliance.* If the Administrator determines that a State's Agricultural Loan Mediation Program does not meet or no longer meets the requirements set out in § 1946.3(a)(2) (i) through (v) of this subpart for certification or, that grant funds are not being used only for the operation and administration of the State's Agricultural Loan Mediation Program, the FmHA or its successor agency under Public Law 103–354 Administrator is authorized to withdraw the certification of the program and terminate additional grant assistance and/or to impose any penalties or sanctions established in 7 CFR parts 3015 and 3016. In the event that the penalty for non-compliance is enforced, the FmHA or its successor agency under Public Law 103–354 and other USDA agencies will cease to participate in mediations conducted by the State Agricultural Loan Mediation Program. If the penalty for noncompliance is enforced, the reason(s) will be included in a letter to the Governor or Head of the State agency along with appeal rights under subpart B of part 1900 of this chapter.

§ 1946.6 Nondiscrimination.

The provisions of 7 CFR 1901 subpart E, ''Civil Rights Compliance Requirements,'' 7 CFR part 15, ''Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture-Effectuation of title VI of the Civil Rights Act of 1964,'' 7 CFR part 15b, ''Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefitting from Federal Financial Assistance,'' and 45 CFR part 90, ''Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance,'' apply to activities financed by grants made under this subpart.

§ 1946.7 Environmental requirements.

Environmental requirements are not applicable to this subpart.

§ 1946.8 Delegation of authority.

The Administrator hereby delegates the authority for processing applications and administering grants under this subpart to the Assistant to the Assistant Administrator, Farmer Programs.

§§ 1946.9–1946.49 [Reserved]

§ 1946.50 OMB control number.

The collection of information requirements in this regulation have been approved by the Office of Management and Budget and assigned OMB control number 0575–0125. In accordance with 5 CFR part 1320, summarized below is the annualized public reporting burden for this regulation:

Section of regulations	Title	Form No. (if any)	Established number of respondents	Reports filed annually	Total annual responses (d) x (e)	Established number of manhours per response	Established total manhours (f) x (g)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Reporting Requirements/No Forms							
1946.3(a)	Request for certification	NONE	15	On occasion	15	4	60
1946.3(b)	Reverification of Approval	NONE	10	On occasion	10	2	20
1946.4(e)(2)	Eligibility criteria for amount of grant requested.	NONE	10	On occasion	10	2	20
1946.4(c)	Financial management systems and reporting requirements.	NONE	10	1	10	8	80
1946.5(b)	Audit report	NONE	10	1	10	16	160
Reporting Requirements Approved Under Other Dockets							
1946.4(g)(2)	Application for Federal Assistance.	SF 424 (0348–0006).	15	On occasion	15	2	30
Docket Total.					70		370

PART 1948—RURAL DEVELOPMENT

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EXHIBIT A TO SUBPART B—GRANT AGREEMENT—GROWTH MANAGEMENT AND HOUSING PLANNING FOR APPROVED DESIGNATED ENERGY IMPACTED AREAS

EXHIBIT B TO SUBPART B—GRANT AGREEMENT (PUBLIC BODIES) FOR SITE DEVELOPMENT AND/OR SITE ACQUISITION FOR HOUSING AND/OR PUBLIC FACILITIES AND/OR SERVICES