

§ 773.9

7 CFR Ch. VII (1-1-07 Edition)

§ 773.9 Environmental compliance.

(a) Except as otherwise specified in this section, prior to approval of any loan, an environmental evaluation will be completed by the Agency to determine if the proposed action will have any adverse impacts on the human environment and cultural resources. Loan applicants will provide all information necessary for the Agency to make its evaluation.

(b) The following loan actions were reviewed for the purpose of compliance with the National Environmental Policy Act (NEPA), 40 CFR parts 1500 through 1508, and determined not to have a significant impact on the quality of the human environment, either individually or cumulatively. Therefore the following loan actions are categorically excluded from the requirements of an environmental evaluation:

- (1) Payment of legal costs associated with reorganizing a farm to improve its profitability as long as there will be no changes in the land's use or character;
- (2) Purchase of farm equipment which will not be affixed to a permanent mount or position;
- (3) Acquiring or leasing a farm;
- (4) Refinancing an indebtedness not greater than \$30,000;
- (5) Purchase of stock in a credit association or in a cooperative which deals with the production, processing or marketing of apples; and
- (6) Payment of loan closing costs.

(c) The loan actions listed in paragraph (b) of this section were also reviewed in accordance with section 106 of the National Historic Preservation Act (NHPA). It was determined that these loan actions are non-undertakings with no potential to affect or alter historic properties and therefore, will not require consultation with the State Historic Preservation Officer, Tribal Historic Preservation Officer, or other interested parties.

(d) If adverse environmental impacts, either direct or indirect, are identified, the Agency will complete an environmental assessment in accordance with the Council on Environmental Quality's Regulations for Implementing the Procedural Provisions of NEPA to the extent required by law.

(e) In order to minimize the financial risk associated with contamination of

real property from hazardous waste and other environmental concerns, the Agency will complete an environmental risk evaluation of the environmental risks to the real estate collateral posed by the presence of hazardous substances and other environmental concerns.

(1) The Agency will not accept real estate as collateral which has significant environmental risks.

(2) If the real estate offered as collateral contains significant environmental risks, the Agency will provide the applicant with the option of properly correcting or removing the risk, or offering other non-contaminated property as collateral.

§ 773.10 Other Federal, State, and local requirements.

Borrowers are required to comply with all applicable:

- (a) Federal, State, or local laws;
- (b) Regulatory commission rules; and
- (c) Regulations which are presently in existence, or which may be later adopted including, but not limited to, those governing the following:
 - (1) Borrowing money, pledging security, and raising revenues for repayment of debt;
 - (2) Accounting and financial reporting; and
 - (3) Protection of the environment.

§§ 773.11-773.17 [Reserved]

§ 773.18 Loan application.

(a) A complete application will consist of the following:

- (1) A completed Agency application form;
- (2) If the applicant is a business entity, any legal documents evidencing the organization and any State recognition of the entity;
- (3) Documentation of compliance with the Agency's environmental regulations contained in 7 CFR part 1940, subpart G;
- (4) A balance sheet on the applicant;
- (5) The farm's operating plan, including the projected cash flow budget reflecting production, income, expenses, and loan repayment plan;
- (6) The last 3 years of production and income and expense information;