

§ 1776.1

7 CFR Ch. XVII (1–1–10 Edition)

**Subpart C—HWWS Loans**

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**Subpart A—General**

**§ 1776.1 Purpose.**

This part sets forth the policies and procedures for making grants to private, non-profit organizations to finance the construction, refurbishing and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate income.

**§ 1776.2 Uniform Federal Assistance Provisions.**

(a) This program is subject to the general provisions that apply to all grants made by USDA and that are set forth in 7 CFR Part 3015—Uniform Federal Assistance Regulations.

(b) This program is subject to the uniform administrative requirements that apply to all grants made by USDA to non-profit organizations and that are set forth in 7 CFR Part 3019—Uniform Administrative Requirements for Grants And Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

(c) This program is subject to OMB Circular No. A-122 (Revised): Cost Principles for Non-Profit Organizations.

**§ 1776.3 Definitions.**

*Administrative expenses* means expenses incurred by a grant recipient that are of the type more particularly described in Section 13 of this part.

*Applicant* means a private, non-profit organization that applies for a HWWS grant under this part.

*Centralized Servicing Center (CSC)* means the centralized loan servicing center within the United States Department of Agriculture, Rural Development. CSC provides nationwide services for borrowers that have received financing from Rural Development programs.

*Construction* means building or assembling a water well system or portion thereof, that is not a water well system or portion thereof being constructed in connection with a new building.

*Eligible individual* means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

*Grant agreement* means the contract between RUS and the grant recipient which sets forth the terms and conditions governing a particular grant awarded under this part.

*Grant recipient* means an applicant that has been awarded a HWWS grant under this part.

*HWWS* means household water well system.

*HWWS grant* means a grant awarded by RUS to a grant recipient under this part.

*HWWS loan* means a loan made by a grant recipient to a loan recipient using the direct or indirect proceeds of a HWWS grant awarded under this part.

*Loan recipient* means an eligible individual who has received a HWWS loan.

*Refurbishing* means to renovate or to restore a water well system or portion thereof to near new condition.

*Revolved funds* means the cash portion of the revolving loan fund that is not composed of HWWS grant funds, including repayments of revolving HWWS loans, fees, and interest collected on HWWS loans.

*Revolving loan fund* means the loan fund established by the grant recipient to carry out the purposes of this part, such fund comprising the proceeds of a HWWS grant and other related assets.

*Rural area* means any area other than a city or town that has a population of greater than 50,000 inhabitants; and the urbanized area contiguous and adjacent to such city or town.

*RUS* means the Rural Utilities Service, a Federal agency delivering the

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United States Department of Agriculture's Rural Development Utilities Program.

*Servicing* means making repairs or performing maintenance on a water well system or portion thereof.

*USDA* means the United States Department of Agriculture.

### § 1776.4 [Reserved]

### Subpart B—HWWS Grants

#### § 1776.5 Eligibility to receive a HWWS grant.

(a) The applicant must be a private organization.

(b) The applicant must be organized as a non-profit organization.

(c) The applicant must have legal capacity and lawful authority to perform the obligations of a grant recipient under this part. Example 1: If the organization is incorporated as a non-profit corporation, it must have corporate authority under state law and its corporate charter to engage in the practice of making loans to individuals. Example 2: if the organization is an unincorporated association, state law may prevent the organization from entering into binding contracts, such as a grant agreement.

(d) The applicant must have sufficient expertise and experience in lending and in promoting the safe and productive use of individually-owned household water well systems and ground water to assure the likelihood that the objectives of this part can be achieved.

#### § 1776.6 Notice of availability of funds.

(a) In Fiscal Year 2005, applications will be accepted for this program from May 19, 2005, until July 18, 2005, at which time the application period will close. An applicant may withdraw, substitute, amend or supplement its application at any time before the application period closes. Once the application period has closed, all applications will be final.

(b) For subsequent fiscal years, if any funds for this program are available, the Secretary will publish a notice to that effect. The notice will establish the period during which applications

for such funds may be submitted for consideration.

#### § 1776.7 HWWS Grant application process.

(a) The applicant must complete and submit the following standard forms to RUS to apply for a HWWS grant under this part:

(1) Application for Federal Assistance: *Standard Form 424*,

(2) Budget Information—Non-Construction Programs: *Standard Form 424A*, and

(3) Assurances—Non-Construction Programs: *Standard Form 424B*.

(b) The applicant must submit a written work plan that demonstrates the feasibility of the applicant's lending program to meet the objectives of this part.

(c) The applicant should submit a narrative establishing the basis for any claims that it has substantial expertise in promoting the safe and productive use of individually-owned household water well systems. The Secretary will give priority to an applicant that demonstrates it has substantial experience of this type.

(d) The applicant must submit:

(1) A pro forma balance sheet at start-up and projected balance sheets for at least three additional years,

(2) Financial statements for the last three years, or from inception of the operations of the grant recipient if less than three years, and

(3) Projected cash flow and earnings statements for at least three years, supported by a list of assumptions showing the basis for the projections. The projected earnings statement and balance sheets must include one set of projections specific to the revolving loan fund, and a separate set of projections that detail the proposed applicant organization's total operations.

(e) The applicant may submit such additional information as it elects to support and describe its plan for achieving the objectives of this part.

#### § 1776.8 Methods for submitting applications.

(a) Applications may be filed in either paper or electronic format. RUS will not accept applications by fax or e-mail.