

§ 1700.58

7 CFR Ch. XVII (1–1–14 Edition)

§ 1700.58 Assistance to high energy cost rural communities.

(a) *Administrator*: The authority to approve the following is reserved to the Administrator:

(1) Allocation of appropriated funds among high energy cost community assistance programs;

(2) Awards of grants and loans to extremely high energy cost communities;

(3) Awards of grants and loans to the Denali Commission;

(4) Awards of grants to State entities for State bulk fuel revolving funds; and

(5) Grant agreements, loan contracts, security instruments and all other documents executed in connection with grants and loans agreements approved by the Administrator.

(b) *The Assistant Administrator, Electric Program* has the authority to make any required certifications and to approve all grant and loan servicing actions not specifically reserved to the Administrator.

[70 FR 5351, Feb. 3, 2005]

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Subpart D—Substantially Underserved Trust Areas

SOURCE: 77 FR 35250, June 13, 2012, unless otherwise noted.

§ 1700.100 Purpose.

This subpart establishes policies and procedures for the Rural Utilities Service (RUS) implementation of the Substantially Underserved Trust Areas (SUTA) initiative under section 306F of the Rural Electrification Act of 1936, as amended (7 U.S.C. 906f). The purpose of this rule is to identify and improve the availability of eligible programs in communities in substantially underserved trust areas.

§ 1700.101 Definitions.

Administrator means the Administrator of the Rural Utilities Service, or designee or successor.

Applicant means an entity that is eligible for an eligible program under that program's eligibility criteria.

Borrower means any organization that has an outstanding loan or loan

guarantee made by RUS for a program purpose.

Completed application means an application that includes the elements specified by the rules for the applicable eligible program in form and substance satisfactory to RUS.

ConAct means the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 *et seq.*).

Credit support means equity, cash requirements, letters of credit, and other financial commitments provided in support of a loan or loan guarantee.

Eligible community means a community as defined by 7 CFR 1700.103.

Eligible program means a program as defined by 7 CFR 1700.102.

Financial assistance means a grant, combination loan and grant, loan guarantee or loan.

Financial feasibility means the ability of a project or enterprise to meet operating expenses, financial performance metrics, such as debt service coverage requirements and return on investment, and the general ability to repay debt and sustain continued operations at least through the life of the RUS loan or loan guarantee.

Matching fund requirements means the applicant's financial or other required contribution to the project for approved purposes.

Nonduplication generally means a restriction on financing projects for services in a geographic area where reasonably adequate service already exists as defined by the applicable program.

Project means the activity for which financial assistance has been provided.

RE Act means the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*).

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture, successor to the Rural Electrification Administration.

Substantially underserved trust area means a community in trust land with respect to which the Administrator determines has a high need for the benefits of an eligible program.

Trust land means “trust land” as defined in section 3765 of title 38, United States Code as determined by the Administrator under 7 CFR 1700.104.

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Underserved means an area or community lacking an adequate level or quality of service in an eligible program, including areas of duplication of service provided by an existing provider where such provider has not provided or will not provide adequate level or quality of service.

§ 1700.102 Eligible programs.

SUTA does not apply to all RUS programs. SUTA only applies to eligible programs. An eligible program means a program administered by RUS and authorized in paragraph (a) of the RE Act, or paragraphs (b)(1), (2), (14), (22), or (24) of section 306(a) (7 U.S.C. 1926(a)(1), (2), (14), (22), (24)), or sections 306A, 306C, 306D, or 306E of the Con Act (7 U.S.C. 1926a, 1926c, 1926d, 1926e).

§ 1700.103 Eligible communities.

An eligible community is a community that:

- (a) Is located on Trust land;
- (b) May be served by an RUS administered program; and
- (c) Is determined by the Administrator as having a high need for benefits of an eligible program.

§ 1700.104 Financial feasibility.

Pursuant to normal underwriting practices, and such reasonable alternatives within the discretion of RUS that contribute to a financial feasibility determination for a particular eligible program or project, the Administrator will only make grants, loans and loan guarantees that RUS finds to be financially feasible and that provide eligible program benefits to substantially underserved trust areas. All income and assets available to and under the control of the Applicant will be considered as part of the Applicant's financial profile.

§ 1700.105 Determining whether land meets the statutory definition of "trust land."

The Administrator will use one or more of the following resources in determining whether a particular community is located in Trust land:

- (a) Official maps of Federal Indian Reservations based on information compiled by the U. S. Department of

the Interior, Bureau of Indian Affairs and made available to the public;

- (b) Title Status Reports issued by the U. S. Department of the Interior, Bureau of Indian Affairs showing that title to such land is held in trust or is subject to restrictions imposed by the United States;

- (c) Trust Asset and Accounting Management System data, maintained by the Department of the Interior, Bureau of Indian Affairs;

- (d) Official maps of the Department of Hawaiian Homelands of the State of Hawaii identifying land that has been given the status of Hawaiian home lands under the provisions of section 204 of the Hawaiian Homes Commission Act, 1920;

- (e) Official records of the U.S. Department of the Interior, the State of Alaska, or such other documentation of ownership as the Administrator may determine to be satisfactory, showing that title is owned by a Regional Corporation or a Village Corporation as such terms are defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq*);

- (f) Evidence that the land is located on Guam, American Samoa or the Commonwealth of the Northern Mariana Islands, and is eligible for use in the Veteran's Administration direct loan program for veterans purchasing or constructing homes on communally-owned land; and

- (g) Any other evidence satisfactory to the Administrator to establish that the land is "trust land" within the meaning of 38 U.S.C. 3765(1).

§ 1700.106 Discretionary provisions.

- (a) To improve the availability of eligible programs in eligible communities determined to have a high need for the benefits of an eligible program, the Administrator retains the discretion, on a case-by-case basis, to use any of the following SUTA authorities individually or in combination to:

- (1) Make available to qualified applicants financing with an interest rate as low as 2 percent;

- (2) Extend repayment terms;

- (3) Waive (individually or in combination) non-duplication restrictions, matching fund requirements, and credit support requirements from any loan