

(c) *Deferments for renewable energy projects.* A Borrower requesting principal deferments for its renewable energy project must submit the following information:

(1) A letter from the Borrower's General Manager requesting an extension of principal payments for the purpose of financing a renewable energy project and describing the details of the project.

(2) A copy of the board resolution establishing the renewable energy project.

(d) *Deferments for distributed generation projects.* A Borrower requesting principal deferments for distributed generation projects must submit the following information and approval is also subject to any applicable terms and conditions of the Borrower's loan contract, mortgage, or indenture:

(1) A letter from the Borrower's General Manager requesting an extension of principal payments for the purpose of financing distributed generation projects and describing the details of the project, and

(2) A copy of the board resolution establishing the distributed generation projects program.

(e) *Deferments for contribution-in-aid of construction.* A Borrower requesting principal deferments for contribution-in-aid of construction must submit the following information:

(1) A letter from the Borrower's General Manager requesting an extension of principal payments for the purpose of offering a contribution-in-aid of construction program and describing the details of the program.

(2) A copy of the board resolution establishing the contribution-in-aid of construction program.

(3) A summary of the calculations used to determine the average cost per residential consumer. (See § 1721.104 (e)(2)).

[67 FR 485, Jan. 4, 2002, as amended at 68 FR 37954, June 26, 2003]

§ 1721.106 Repayment of deferred payments.

(a) *Deferments relating to financial hardship.* The total amount of interest that has been deferred, including interest on deferred principal, will be added to the principal balance, and the total

amount of principal and interest that has been deferred will be reamortized over the remaining life of the applicable note beginning in the first year the deferral period ends. For example: the amount of interest deferred in years 2003, 2004, 2005, 2006, and 2007, will be added to the principal balance and reamortized over the life of the applicable note for repayment starting in year 2008.

(b) *Deferments relating to the ERC loan program, renewable energy project(s), distributed generation project(s), and the contribution(s)-in-aid of construction.* An extension agreement is for a term of two (2) years. The installment will be recalculated each time the Borrower defers the payment of principal and recognition of the deferred amount will begin with the next payment. For example: the amount deferred in the October payment will be reamortized over a 84 month period starting with the next payment (November if paying on a monthly basis). When a Borrower defers principal under any of these programs the scheduled payment on the account will increase by an amount sufficient to pay off the deferred amount, with interest, by the date specified in the agreement (usually 84 months (28 quarters)).

[67 FR 485, Jan. 4, 2002, as amended at 68 FR 37954, June 26, 2003]

§ 1721.107 Agreement.

After approval of the Borrower's request for a deferment of principal and interest, an extension agreement, containing the terms of the extension, together with associated materials, will be prepared and forwarded to the Borrower by RUS. The extension agreement will then be executed and returned to RUS by the Borrower.

§ 1721.108 Commencement of the deferment.

The deferment of principal and interest will not begin until the extension agreement and other supporting materials, in form and substance satisfactory to RUS, have been executed by the Borrower and returned to RUS. Examples of other supporting materials are items such as approving legal opinions from the Borrower's attorney and approvals from the relevant regulatory