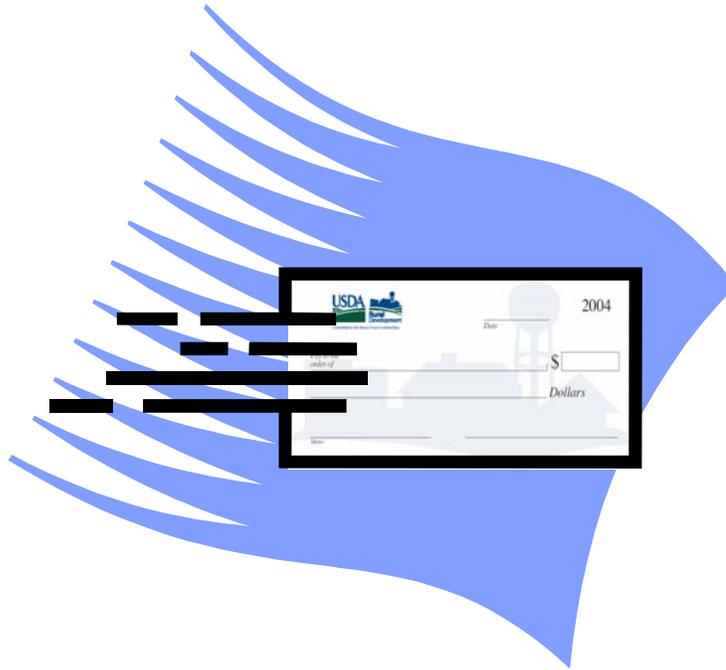




Committed to the future of rural communities.



# ***Rapid Refinance Telecommunications Loan and Loan Guarantee Program Application Guide***

## **Contents:**

---

	<b>Page No.</b>
<b>Introduction and General Information</b>	<b>1</b>
Applying for a Loan or Loan Guarantee	3
Completing the Loan Application	4
Federal Forms and Attachments	6

## Introduction and General Information

The USDA-Rural Development Telecommunications Program assists the private sector in developing, planning and financing the construction of telecommunications and broadband infrastructure in rural America. The Farm Security and Rural Investment Act of 2002 (the “Farm Bill”) modified the Rural Electrification Act of 1936 (the “Act”) by adding a new section to allow the Telecommunications Program to provide loans and loan guarantees to bring broadband service to rural communities. Loans and loan guarantees for the construction, improvement and acquisition of broadband facilities and equipment are available through the Broadband Program, one of the operational divisions of the Telecommunications Program. For more information on the Broadband Program, including a copy of the Notice of Funds Availability for Fiscal Year (FY) 2004, please go to <http://www.usda.gov/rus/telecom/broadband.htm>.

The Farm Bill also authorized the use of loan and loan guarantee funds from the Telecommunications Program’s traditional infrastructure program to be used to refinance outstanding obligations on previously awarded telecommunications loans, if the use of proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities. The new **Rapid Refinance** Program has been developed in response to that statutory change.

The **Rapid Refinance** Program allows an existing borrower to refinance the outstanding balances on any previously approved infrastructure program loans including hardship, cost-of-money, and RTB. The refinancing can be accomplished with any of the types of loans or loan guarantees currently offered by the infrastructure program. The Farm Bill changes to the RE Act removed the 40% limitation on the percentage of a particular loan or loan guarantee that can be for refinancing; however, to utilize the **Rapid Refinance** Program, you must request a 100% refinancing loan. If you want to request refinancing as part of a financing package that includes other loan purposes, you need to use either our traditional application procedure or the RUS Xpress expedited process, if applicable.

➤ ***Types of Financial Assistance Available for the **Rapid Refinance** program***

---

The following types of loans can be used to refinance outstanding infrastructure program indebtedness under the **Rapid Refinance** program (applicants requesting refinancing must meet the TIER and subscriber density requirements set forth in 7 CFR Part 1735 for the type of loan being used; TIER and density calculations will be based on the most recent calendar year Form 479):

1. RUS Hardship Loans
2. Concurrent RUS Cost-of-Money / Rural Telephone Bank (RTB) Loans
3. Federal Financing Bank (FFB) Loan Guarantees

These loans may be used to refinance existing RUS Hardship, RUS Cost-of-Money, and RTB loans, **but cannot not be used to refinance FFB loans.**

➤ ***Maximum Loan Amount***

---

There is no maximum loan amount for the **Rapid Refinance** program.

➤ ***Loan Maturity***

---

Loans will be refinanced under the **Rapid Refinance** program for a period no longer than the remaining life on the loans being refinanced. Shorter maturities may be selected.

➤ ***Interest Rates Available***

---

To view the most current interest rates available for comparable maturities, go to the Federal Reserve Statistical Release web page at the following address and click on the appropriate viewer format under Current release:

<http://www.federalreserve.gov/releases/H15>

Under the heading “US Government Securities” and subheading ‘Treasury constant maturities,’ locate the maturity period and corresponding interest rate as of that date. Please note, this is for information purposes only. The actual interest rate for your loan will be determined on the date of advance of funds.

➤ ***Contact Information***

---

RUS borrowers applying for a loan under the **Rapid Refinance** program should consult with their RUS General Field Representative (GFR) prior to submitting an application. The GFR will visit the applicant and offer assistance as needed. A listing of the GFRs and Area Directors with the appropriate contact information is included with this application guide as Attachment 8. Information about the Telecommunications Program, this application guide and copies of the required forms can be retrieved electronically via the internet at:

<http://www.usda.gov/rus/telecom/index.htm>

## Applying for a Loan

### ***Loan Processing***

Completed loan and loan guarantee applications to be considered under the *Rapid Refinance* program must be submitted in accordance with the requirements as set forth in this application guide.

Please note that these application requirements apply only to the *Rapid Refinance* program. For guidance on completing a loan application which does not qualify under these procedures, please contact the GFR in your area (Attachment 8).

### ***Applicant Eligibility and Loan Purposes***

An applicant must be an existing RUS telecommunications borrower.

Under the *Rapid Refinance* program, the Telecommunications Program will make loans and loan guarantees **only to refinance outstanding infrastructure loans (but not FFB loan guarantees)** to further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

The applicant must describe, in Item No. 7, Purpose of Loan, of the RUS Form 490 (Attachment 2), how the proceeds (or savings) from this refinancing will be used to further broadband deployment in eligible rural communities.

For purposes of a *Rapid Refinance* loan:

**Broadband Service** means any technology identified by the Administrator as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video. During fiscal year 2004, to qualify as broadband service, the minimum rate-of-data transmission shall be 200 kilobits/second in the customer's connection to the network, both from the provider to the customer (downstream) and from the customer to the provider (upstream).

**Eligible Rural Community** means any incorporated or unincorporated place in the United States that has no more than 20,000 inhabitants based on the most recent available population statistics of the Bureau of the Census.

## Completing the Loan Application

This section addresses all of the information that must be submitted for an application to be complete and considered for financing. An application checklist for completeness has been included with the guide as Attachment 1.

- A. *Application for Telecommunications Loan or Loan Guarantee (RUS Form 490)*
- B. *List of Notes to be Refinanced*
- C. *Financial Statements*
- D. *Federal Forms and Certifications*

### ***A. RUS Form 490, “Application for Telecommunications Loan or Loan Guarantee”***

This form is included as Attachment 2. The applicant must describe, in Item No. 7, Purpose of Loan, how the proceeds (or savings) from this refinancing will be used to further broadband deployment in eligible rural communities.

### ***B. List of Notes to be Refinanced***

A listing of all of the Notes from previously approved Telecommunications program loans that you are applying to refinance needs to be included in the format provided in Attachment 3. If you do not have all of the required data readily available, contact your GFR or the Area Director listed in Attachment 8 for assistance.

### ***C. Financial Statements***

The Telecommunications Program will approve a loan only if, in its sole judgment, the loan will be repaid according to its terms and within the time agreed. Although a **Rapid Refinance** loan should always improve the financial condition of the borrower by lowering the interest rate on debt, that does not eliminate the need of the Telecommunications Program to make certain findings concerning the borrower’s financial condition.

The Form 479 for the most recent calendar year and the audited financial statements for the most recent fiscal year will meet that need. If an applicant has not submitted the most recent calendar year's Form 479 and the most recent fiscal year's audited financial statements, they must be prepared and submitted before a **Rapid Refinance** loan may be made.

#### ***D. Federal Forms and Certifications***

---

All of the following forms and certifications must have original signatures for an application to be considered complete. Copies of these forms have been included at the end of this application guide as Attachments.

##### ***Forms and Certifications that must be submitted with each application:***

1. RUS Form 490, Application for Telephone Loan and Loan Guarantee, Attachment 2;
2. List and Details Regarding Notes to be Refinanced; Attachment 3;
3. **Rapid Refinance** Application Certifications; Attachment 4;
4. Certification Regarding Lobbying, Attachment 5;
5. Certification Regarding Debarment, Suspension, and Other Responsibility Matters- Primary covered Transactions, Attachment 7.

##### ***Forms and Certifications required for FFB loan requests:***

1. Statement for Loan Guarantees and Loan Insurance, Attachment 6.  
For FFB loans, this form should be used in place of number 4 above.

***Rapid Refinance Telecommunications Loan and  
Loan Guarantee Program  
Federal Forms and Attachments***

<b>Number</b>	<b>Description</b>	<b>Page No.</b>
1	Loan Application Checklist	7
2	Application for Telecommunications Loan or Loan Guarantee, RUS Form 490	8
3	List and Details Regarding Notes to be Refinanced	9
4	<b><i>Rapid Refinance</i></b> Application Certifications	10
5	Certification Regarding Lobbying	11
6	Certification Regarding Lobbying for Loan Guarantees	12
7	Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions	13
8	RUS Points of Contact	15

## **LOAN APPLICATION CHECKLIST**

All of items listed below must be included with your application. Use this checklist to be sure you have not overlooked anything:

- RUS Form 490
  
- List and Details Regarding Notes to be Refinanced
  
- Rapid Refinance Certifications
  
- Form 479 for the previous calendar year and audited financial statements for the previous fiscal year (Do not check box if already on file)
  
- Certification Regarding Lobbying
  
- Certification Regarding Lobbying for FFB Loans
  
- Certification Regarding Debarment



## List and Details Regarding Notes to be Refinanced

1. RUS Notes to be Refinanced (includes Hardship loans):

Note Designator	Note Date	Stated Principal Amount	Maturity Date	Interest Rate
-----------------	-----------	-------------------------	---------------	---------------

1. RTB Notes to be Refinanced:

Note Designator	Note Date	Stated Principal Amount	Maturity Date	Interest Rate
-----------------	-----------	-------------------------	---------------	---------------

**Sample:**

Note Designator	Note Date	Stated Principal Amount	Maturity Date	Interest Rate
DC 501-A9	12/1/2004	\$5,000,000.00	12/31/2020	Determined by Advance

### ***Rapid Refinance* Application Certifications**

I, \_\_\_\_\_ (name of president) \_\_\_\_\_, am president of \_\_\_\_\_ (name of borrower) \_\_\_\_\_, (the “borrower”). I am duly authorized to make the following statements and certifications in support of the borrower’s Rapid Refinance application.

1. No default has occurred or is continuing under the borrower’s mortgage to the government and/or the Rural Telephone Bank (the “Bank”).
2. The borrower is requesting that a loan, loans, or loan guarantee be approved for it for the sole purpose of refinancing outstanding notes for telecommunications loan(s) or loan guarantee(s) previously awarded to the borrower under the Rural Electrification Act of 1936, as amended.
3. The borrower is requesting the following type(s) or loan(s) or loan guarantee (subject to the density and TIER restrictions in 7 CFR 1735): *(check all that apply)*
  - Hardship Loan
  - Concurrent Cost-of-Money Loan and Bank Loan
  - FFB Guaranteed Loan
4. I hereby certify that the data in this application are correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**LOBBYING CERTIFICATION**

**Certification for Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

---

Organization Name

---

Name of Authorized Official

---

Signature

---

Date

**LOBBYING CERTIFICATION**

**Certification for Loan Guarantees and Loan Insurance**

The undersigned certifies, to the best of his or her knowledge and belief, that:

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

---

Organization Name

---

Name of Authorized Official

---

Signature

---

Date

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

---

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms *covered transaction*, *debarred*, *suspended*, *ineligible*, *lower tier covered transaction*, *participant*, *person*, *primary covered transaction*, *principal*, *proposal*, and *voluntarily excluded*, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows

that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**CERTIFICATION**

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

---

Organization Name PR/Award or Project Name

---

Name and Title

---

Signature Date

**RUS POINTS OF CONTACT  
Telecommunications Program**

**NORTHERN REGIONAL DIVISION**

**Jerry Brent, Director**

(202) 720-1025  
jerry.brent@usda.gov

**GENERAL FIELD REPRESENTATIVES**

Wayne A. Ahlgren  
4825 East Roundup Road  
Bismarck, North Dakota 58503-8923  
(701) 258-7508  
wayne.ahlgren@usda.gov

Kim Anderson  
P.O. 914  
Brandon, South Dakota 57005  
(605) 582-2065  
kim.anderson@usda.gov

Jock S. Aplin  
7 Sandpiper Drive  
Blue Grass, Iowa 52726  
(563) 381-2638  
jock.aplin@usda.gov

Donald Couzens  
P.O. Box 635  
Holt, Michigan 48842  
(517) 676-9031  
donald.couzens@usda.gov

Steven G. Coyner  
P.O. Box 8188  
Eau Claire, Wisconsin 54701  
(715) 833-2415  
steven.coyner@usda.gov

Allen D. DeForest  
5523 South Cardwell Road  
Bloomington, Indiana 47403  
(812) 825-3727  
allen.deforest@usda.gov

**STATES COVERED**

North Dakota  
Western South Dakota

Eastern South Dakota  
Northwest Iowa

Iowa  
(excluding Northwest Iowa)

Michigan

Northern Wisconsin

Illinois  
Indiana

P. Greg Fritts  
P.O. Box 1058  
Columbia, Missouri 65205-1058  
(573) 449-0007  
greg.fritts@usda.gov

Missouri

Dominic A. Henderson  
29367 Surfland Road  
Merrifield, Minnesota 56465-4371  
(218) 765-3854  
dominic.henderson@usda.gov

Northern Minnesota

Gary Honis  
P.O. Box 861  
Conyngham, Pennsylvania 18219  
(570) 788-0908  
gary.honis@usda.gov

Delaware  
Maryland  
New Jersey  
New York  
Eastern Pennsylvania

Kim Jacobs  
1645 Regal Drive  
Belgrade, Montana 59714  
(406) 388-2494  
kim.jacobs@usda.gov

Eastern Idaho  
Wyoming  
Montana

Wayne Jorewicz  
P.O. Box 519  
Baraboo, Wisconsin 53913  
(608) 356-4151  
wayne.jorewicz@usda.gov

Southern Wisconsin

Wesley Lannen  
P.O. Box 2497  
Battle Ground, Washington 98604  
(360)-666-2741  
wes.lannen@usda.gov

Washington  
Oregon  
Alaska

Stephen M. McKenzie  
P.O. Box 474,  
Exeter, New Hampshire 03833  
(603) 895-8433  
steve.mckenzie@usda.gov

Connecticut  
Maine  
Massachusetts  
New Hampshire  
Rhode Island  
Vermont

George J. Schweighofer  
P.O. Box 384  
Reynoldsburg, Ohio 43068-0384  
(614) 860-9732  
george.schweighofer@usda.gov

Ohio  
Western Pennsylvania  
West Virginia

Anthony Tindall  
10320 Devonshire Circle #211  
Bloomington, Minnesota 55431  
(859)-533-0334  
anthony.tindall@usda.gov

Southern Minnesota

**SOUTHERN REGIONAL DIVISION**

**Ken Chandler, Director**  
(202) 720-0800  
ken.chandler@usda.gov

**GENERAL FIELD REPRESENTATIVES**

Teri Baird  
P.O. Box 547  
Franktown, Colorado 80116  
303-646-5856  
teri.baird@usda.gov

Andre M. Boening  
2351 Road 43, Box 116  
Linwood, Nebraska 68036  
(402) 543-2129  
andre.boening@usda.gov

Randall W. Brummitt  
P.O. Box 100  
Wedgefield, South Carolina 29168-0100  
(803) 481-7441  
randall.brummitt@usda.gov

Patrick D. Carey  
P.O. Box 5347  
 Mooresville, North Carolina 28117  
(704) 896-8402  
patrick.carey@usda.gov

Jose P. DeLeon  
P.O. Box 151630  
Austin, Texas 78715  
(512) 288-5820  
jose.deleon@usda.gov

Andrew E. Hayes  
50 Jim Alexander Road  
McDonough, Georgia 30253  
(770)914-8643  
andrew.hayes@usda.gov

**STATES COVERED**

New Mexico  
Colorado  
Utah

Nebraska  
Northern Kansas

South Carolina  
Puerto Rico  
U.S. Virgin Islands

North Carolina  
Virginia

Southern Texas

Florida  
Georgia

Harry M. Hutson  
P.O. Box 519  
Litchfield Park, Arizona 85340  
(623) 535-5450  
harry.hutson@usda.gov

Randy Jenkins  
200 Montbella Circle  
Wichita, Kansas 67230  
(316) 733-7604  
Randy.jenkins@usda.gov

Jo Nall  
P.O. Box 1387  
Franklin, Tennessee 37065  
(615) 289-9529  
llanoj@hotmail.com

William H. Vogt  
P.O. Box 979  
Ball, Louisiana 71405-0979  
(318) 640-1407  
william.vogt@usda.gov

William H. Welch, III  
5100 Old Birmingham Hwy, Apt. 1013  
Tuscaloosa, Alabama 35404  
(205) 462-0520  
williamh.welch@usda.gov

Arizona  
California  
Nevada

Southern Kansas  
Northern Oklahoma  
Federated States of Micronesia  
Commonwealth of the N. Marianas  
Islands  
Guam  
Hawaii  
Republic of the Marshall Islands  
Republic of Palau

Tennessee  
Northwest Georgia

Arkansas  
Louisiana

Mississippi  
Alabama