



**Rural Development**

Office of the Administrator

Rural Business–Cooperative  
Service  
1400 Independence Ave, SW  
Room 5803-S  
Washington, D.C. 20250

Telephone: (202) 690-4730

TO: ALL RBCS Direct National Office Staff  
Field Office Staff  
Rural Business Cooperative Services

ATTN: Leadership Designees  
State Directors  
Rural Development

FROM: J.R. Claeys  
Administrator  
Rural Business Cooperative Services

SUBJECT: Ensuring Strong Stewardship and Customer Service in RBCS Guaranteed Lending & Other Programs

**PURPOSE**

The Purpose of this Unnumbered Letter (UL) is to provide notice to Rural Business-Cooperative Service staff of the Administrator’s direction related to the overall RBCS portfolio health and further actions that need to be taken. Direction includes 1. portfolio health and 2. energy investments.

**IMPLEMENTATION**

The following is a direct report from our Administrator and Senior Leadership within the Rural Business-Cooperative Service on ensuring strong stewardship of RBCS guaranteed lending and other programs:

**1. Portfolio Health Review**

To improve the health of our guaranteed lending portfolio, we are requiring that all state directors, regardless of the delinquency rate in your state, take the following actions:

- Immediately take servicing action on all delinquent loans in your state portfolio. This action may include working with the lender to create a plan to bring the loan current or it may involve initiating the process of liquidation. The current delinquency list is attached for reference.
- Communicate with lenders to receive updates on existing loans. If new delinquencies are disclosed, report this information immediately to Justin Kirking, the Branch Chief of the Servicing Branch ([Justin.Kirking@usda.gov](mailto:Justin.Kirking@usda.gov)), and initiate a servicing action with the lender.

EXPIRATION DATE:  
August 31, 2026

FILING INSTRUCTIONS:  
Community/Business Programs

- Take this opportunity to remind lenders of the regulatory requirement to notify USDA of a delinquency within 30 days. While communicating with lenders, inquire about new opportunities to assist with projects using our guaranteed loan programs including TPEP, B&I and REAP.
- Review your YTD allocation of funds and make sure that you are on track to use funds by the end of the fiscal year (September 30, 2025). The current allocation report is attached.
  - The Business & Industry Loan Guarantee Program will have the largest lending authority in program history in FY25. We have a tremendous opportunity to improve the lives of rural Americans with the resources available to you through the programs administered by the Rural Business-Cooperative Service.

## 2. Energy Investments: Solar and Wind Projects

On July 7, 2025, President Donald J. Trump signed Executive Order 14315, Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources. In this EO, the President underscored the importance of “Ending the massive cost of taxpayer handouts to unreliable energy sources is vital to energy dominance, national security, economic growth, and the fiscal health of the Nation.” ([EO 14315 Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources](#)). Per the order of this EO we have been directed to:

- Rapidly eliminate the market distortions and costs imposed on taxpayers by so-called “green” energy subsidies.
- Build upon and strengthen the repeal of and modifications to, wind, solar, and other “green” energy tax credits in the One Big Beautiful Bill Act.
- End taxpayer support for unaffordable and unreliable “green” energy sources and supply chains built in, and controlled by, foreign adversaries.

Given these directions, we are moving forward with the following policy actions effective immediately:

- For the **Business and Industry (B&I) Guaranteed Loan Program**, wind and solar projects are not eligible.
- For the **Rural Energy for America Program (REAP) Guaranteed Loan Program** we will work to serve America’s farmers, ranchers and producers with energy sources using wind and solar sized for their facilities. REAP projects are ineligible for REAP GL and disincentivized for REAP grants via forthcoming priority points if they include any of the following:
  - ground mount solar photovoltaic systems larger than 50kW;
  - ground mount solar photovoltaic systems that cannot document historical energy usage;

- ground mount solar photovoltaic systems proposing to be installed on certified cropland as defined by the Farm Service Agency in Handbook 10-CM (rev. 2) exhibit; or
- solar photovoltaic systems consisting of any component made in a country named as a foreign adversary as defined in [15 CFR 791.4](#).

Thank you for your continued diligent efforts to improve portfolio health and solve problems where they arise. We understand that this is a laborious process, and we want you to know that we are here to support you.

If you have any questions regarding the guidance on the UL please contact Dominick Lombardi, Confidential Assistant to the Administrator ([Dominick.Lombardi@usda.gov](mailto:Dominick.Lombardi@usda.gov)).

Best Regards,



J.R. Claeys  
Administrator  
Rural Business-Cooperative Service

**Business and Industry Guaranteed Loan Program  
Fiscal Year 2025 Allocations and Obligations**

State	FY 25 State Allocation	Allocated From Reserve	B&I Regular 3%			B&I Reduced Fee 1%/AK Roadless Areas			Total % Obligated	Pooled Funds	Grand Total		
			Allocated YTD	Obligated	#	Allocated YTD	Obligated	#			Allocated	Obligated	# of Loans
Alabama	42,557,000	0	42,557,000	11,450,000	1	0	0	0	27%	0	42,557,000	11,450,000	1
Alaska	10,217,000	49,010,465	0	0	0	59,227,465	59,227,465	4	580%	0	59,227,465	59,227,465	4
Arizona	20,520,000	38,168,000	46,938,000	46,938,000	6	11,750,000	11,750,000	1	286%	0	58,688,000	58,688,000	7
Arkansas	27,987,000	0	27,987,000	10,000,000	1	0	0	0	36%	0	27,987,000	10,000,000	1
California	39,365,000	50,672,600	83,052,600	70,196,000	9	6,985,000	6,985,000	1	196%	0	90,037,600	77,181,000	10
Colorado	16,196,000	0	16,196,000	14,195,000	3	0	0	0	88%	0	16,196,000	14,195,000	3
Connecticut	9,887,000	2,113,000	0	0	0	12,000,000	12,000,000	1	121%	0	12,000,000	12,000,000	1
Delaware	7,700,000	0	7,700,000	0	0	0	0	0	0%	0	7,700,000	0	0
Florida	38,781,000	70,769,000	84,550,000	67,230,378	6	25,000,000	25,000,000	1	238%	0	109,550,000	92,230,378	7
Georgia	50,327,000	6,772,347	57,099,347	57,099,347	4	0	0	0	113%	0	57,099,347	57,099,347	4
Hawaii	7,267,000	0	7,267,000	0	0	0	0	0	0%	0	7,267,000	0	0
Idaho	12,305,000	2,062,761	13,576,977	13,576,977	2	790,784	790,784	1	117%	0	14,367,761	14,367,761	3
Illinois	25,345,000	84,617,000	88,968,000	88,968,000	10	20,994,000	20,994,000	1	434%	0	109,962,000	109,962,000	11
Indiana	29,342,000	0	29,342,000	12,000,000	1	0	0	0	41%	0	29,342,000	12,000,000	1
Iowa	18,587,000	0	18,587,000	0	0	0	0	0	0%	0	18,587,000	0	0
Kansas	14,482,000	0	14,482,000	0	0	0	0	0	0%	0	14,482,000	0	0
Kentucky	41,991,000	13,523,000	30,514,000	30,514,000	3	25,000,000	25,000,000	1	132%	0	55,514,000	55,514,000	4
Louisiana	29,826,000	122,642,725	143,684,000	109,484,000	7	8,784,725	8,784,725	1	397%	0	152,468,725	118,268,725	8
Maine	16,850,000	0	16,850,000	0	0	0	0	0	0%	0	16,850,000	0	0
Maryland	14,543,000	0	14,543,000	2,950,000	1	0	0	0	20%	0	14,543,000	2,950,000	1
Massachusetts	11,252,000	0	11,252,000	0	0	0	0	0	0%	0	11,252,000	0	0
Michigan	42,606,000	0	37,759,750	8,589,600	5	4,846,250	4,846,250	3	32%	0	42,606,000	13,435,850	8
Minnesota	23,296,000	31,604,000	29,900,000	29,900,000	2	25,000,000	25,000,000	1	236%	0	54,900,000	54,900,000	3
Mississippi	36,779,000	0	36,779,000	17,899,000	3	0	0	0	49%	0	36,779,000	17,899,000	3
Missouri	34,173,000	22,935,270	57,108,270	57,108,270	25	0	0	0	167%	0	57,108,270	57,108,270	25
Montana	12,408,000	0	12,408,000	0	0	0	0	0	0%	0	12,408,000	0	0
Nebraska	10,806,000	0	10,806,000	6,600,000	1	0	0	0	61%	0	10,806,000	6,600,000	1
Nevada	7,650,000	17,350,000	5,128,476	5,128,476	1	19,871,524	0	0	67%	0	25,000,000	5,128,476	1
New Hampshire	11,130,000	0	11,130,000	0	0	0	0	0	0%	0	11,130,000	0	0
New Jersey	10,795,000	0	10,795,000	0	0	0	0	0	0%	0	10,795,000	0	0
New Mexico	16,021,000	16,521,000	32,542,000	25,916,000	2	0	0	0	162%	0	32,542,000	25,916,000	2
New York	39,047,000	105,580,000	135,172,000	131,172,000	12	9,455,000	5,400,000	1	350%	0	144,627,000	136,572,000	13
North Carolina	53,288,000	10,542,330	41,086,000	4,177,089	9	22,744,330	22,744,330	4	51%	0	63,830,330	26,921,419	13
North Dakota	8,984,000	9,396,000	18,380,000	18,380,000	1	0	0	0	205%	0	18,380,000	18,380,000	1
Ohio	40,545,000	3,323,000	43,868,000	43,868,000	5	0	0	0	108%	0	43,868,000	43,868,000	5
Oklahoma	27,475,000	36,734,590	64,209,590	36,459,590	8	0	0	0	133%	0	64,209,590	36,459,590	8
Oregon	17,051,000	28,522,200	20,573,200	20,573,200	4	25,000,000	25,000,000	1	267%	0	45,573,200	45,573,200	5
Pennsylvania	41,843,000	0	41,843,000	39,346,760	4	0	0	0	94%	0	41,843,000	39,346,760	4
Puerto Rico	14,380,000	0	14,380,000	0	0	0	0	0	0%	0	14,380,000	0	0
Rhode Island	6,203,000	0	6,203,000	0	0	0	0	0	0%	0	6,203,000	0	0
South Carolina	37,604,000	40,188,302	54,232,000	54,232,000	4	23,560,302	23,560,302	1	207%	0	77,792,302	77,792,302	5
South Dakota	11,183,000	4,954,200	16,137,200	16,137,200	2	0	0	0	144%	0	16,137,200	16,137,200	2
Tennessee	44,443,000	0	44,443,000	13,954,320	2	0	0	0	31%	0	44,443,000	13,954,320	2
Texas	53,288,000	143,705,225	155,293,225	125,243,225	12	41,700,000	16,700,000	1	266%	0	196,993,225	141,943,225	13
Utah	9,463,000	14,937,000	15,650,000	15,650,000	2	8,750,000	8,750,000	1	258%	0	24,400,000	24,400,000	3
Vermont	10,064,000	2,151,000	12,215,000	12,215,000	1	0	0	0	121%	0	12,215,000	12,215,000	1
Virgin Islands	5,000,000	0	5,000,000	0	0	0	0	0	0%	0	5,000,000	0	0
Virginia	35,343,000	0	32,335,000	23,240,000	2	3,008,000	3,008,000	1	74%	0	35,343,000	26,248,000	3
Washington	22,346,000	12,032,625	21,128,625	21,128,625	4	13,250,000	13,250,000	1	154%	0	34,378,625	34,378,625	5
West Virginia	23,340,000	9,048,200	7,388,200	7,388,200	1	25,000,000	25,000,000	1	139%	0	32,388,200	32,388,200	2
Western Pacific	5,000,000	0	5,000,000	0	0	0	0	0	0%	0	5,000,000	0	0
Wisconsin	25,979,000	0	25,979,000	0	0	0	0	0	0%	0	25,979,000	0	0
Wyoming	7,899,000	0	7,899,000	0	0	0	0	0	0%	0	7,899,000	0	0
Total State Allocations	1,230,759,000					392,717,380.00							
Reserve		949,875,840.30	2,038,023,389.70			0.00				0	2,038,023,389.70		
<b>Totals:</b>	<b>1,230,759,000</b>		<b>3,825,940,850.00</b>	<b>1,268,908,257.00</b>	<b>166</b>	<b>392,717,380.00</b>	<b>343,790,856.00</b>	<b>28</b>	<b>38%</b>		<b>4,218,658,230.00</b>	<b>1,612,699,113.00</b>	<b>194</b>



GLS4067S

**United States Department of Agriculture  
Rural Development - Business Programs  
Analysis of Delinquencies National Summary (Guaranteed Only)**

Page 1 of 3  
08/13/2025 01:05 PM

Search Criteria:

Facility State: All

Loan Program Type: B&I ARRA FUNDS, BUSINESS & INDUSTRY, NON-RURAL COOPERATIVE, RURAL COOPERATIVE, RURAL ENERGY FOR AMERICA PGM, UNCLASSIFIED

Type of Assistance Code: All

Exclude Bankruptcies: Yes

NAD Bank Only: No

Display Recovery Loans Only: No

Period Key: CURRENT

Sort Options: Facility State (Ascending Order)



**United States Department of Agriculture  
Rural Development - Business Programs  
Analysis of Delinquencies National Summary (Guaranteed Only)**

GLS4067S

Facility State	***** Total Active Loans *****				***** Delinquent Loans *****							
	Borr Count	Loan Count	Amt Unpd Prn Outstanding	# Delq Borr	% of Total	# Delq Loans	% of Total	Amt Unpd Prn Outstanding	% of Total	Amount Past Due	% of Delq Unpd Prin	% of Total Unpd Prin
ALABAMA	32	38	\$193,656,377.33	5	15.62%	6	15.79%	\$51,899,105.64	26.80%	\$11,559,195.48	22.27%	5.97%
ALASKA	28	41	\$126,466,499.11	1	3.57%	1	2.44%	\$8,049,101.89	6.36%	\$229,337.89	2.85%	0.18%
ARIZONA	65	74	\$384,512,487.29	2	3.08%	3	4.05%	\$5,024,501.80	1.31%	\$1,363,093.58	27.13%	0.35%
ARKANSAS	26	29	\$145,507,320.24	5	19.23%	6	20.69%	\$24,092,064.65	16.56%	\$6,071,201.71	25.20%	4.17%
CALIFORNIA	162	166	\$660,329,193.96	10	6.17%	10	6.02%	\$87,831,764.18	13.30%	\$3,822,008.00	4.35%	0.58%
COLORADO	36	40	\$210,802,503.88	5	13.89%	7	17.50%	\$65,919,987.03	31.27%	\$8,756,242.86	13.28%	4.15%
CONNECTICUT	4	7	\$22,417,097.67	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
DELAWARE	3	4	\$28,941,133.99	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
FLORIDA	66	78	\$439,248,391.88	9	13.64%	12	15.38%	\$50,078,740.62	11.40%	\$17,530,952.66	35.01%	3.99%
GEORGIA	41	42	\$248,614,702.99	2	4.88%	2	4.76%	\$13,725,842.27	5.52%	\$1,668,725.67	12.16%	0.67%
HAWAII	14	15	\$56,976,495.92	2	14.29%	2	13.33%	\$7,708,950.10	13.53%	\$1,747,372.14	22.67%	3.07%
IDAHO	58	66	\$150,056,429.06	1	1.72%	2	3.03%	\$38,508,000.00	25.66%	\$1,247,272.57	3.24%	0.83%
ILLINOIS	44	53	\$275,450,395.93	5	11.36%	5	9.43%	\$8,147,787.67	2.96%	\$3,999,004.43	49.08%	1.45%
INDIANA	13	15	\$35,844,329.00	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
IOWA	38	45	\$156,360,352.19	7	18.42%	9	20.00%	\$65,019,482.90	41.58%	\$11,665,354.89	17.94%	7.46%
KANSAS	11	11	\$25,653,626.66	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
KENTUCKY	50	67	\$414,215,185.68	3	6.00%	3	4.48%	\$26,447,179.45	6.38%	\$4,244,124.98	16.05%	1.02%
LOUISIANA	118	136	\$859,099,537.76	15	12.71%	17	12.50%	\$106,916,705.08	12.45%	\$49,401,555.89	46.21%	5.75%
MAINE	35	43	\$230,275,875.93	1	2.86%	2	4.65%	\$5,583,734.65	2.42%	\$5,801,545.47	103.90%	2.52%
MARYLAND	14	15	\$79,219,324.36	2	14.29%	2	13.33%	\$14,285,929.20	18.03%	\$10,472,620.08	73.31%	13.22%
MASSACHUSETTS	6	7	\$28,287,032.48	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
MICHIGAN	62	70	\$255,708,398.48	4	6.45%	4	5.71%	\$8,144,650.72	3.19%	\$5,146,934.91	63.19%	2.01%
MINNESOTA	79	85	\$266,379,991.76	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
MISSISSIPPI	26	32	\$153,196,169.55	4	15.38%	5	15.62%	\$11,589,498.00	7.57%	\$3,447,677.33	29.75%	2.25%
MISSOURI	165	196	\$328,186,816.48	9	5.45%	11	5.61%	\$24,973,831.00	7.61%	\$3,322,792.43	13.31%	1.01%
MONTANA	14	16	\$77,289,752.23	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
NEBRASKA	28	29	\$39,767,568.79	1	3.57%	1	3.45%	\$207,914.42	0.52%	\$264,543.48	127.24%	0.67%
NEVADA	9	10	\$23,798,920.75	1	11.11%	1	10.00%	\$3,141,644.54	13.20%	\$3,499,505.75	111.39%	14.70%
NEW HAMPSHIRE	4	4	\$13,763,301.27	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
NEW JERSEY	5	5	\$25,853,930.54	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
NEW MEXICO	26	28	\$103,293,679.15	3	11.54%	3	10.71%	\$8,037,477.67	7.78%	\$2,681,098.95	33.36%	2.60%
NEW YORK	114	124	\$435,339,029.08	2	1.75%	3	2.42%	\$11,854,205.21	2.72%	\$2,615,742.47	22.07%	0.60%
NORTH CAROLINA	342	391	\$1,607,555,577.25	17	4.97%	20	5.12%	\$132,058,807.74	8.21%	\$20,126,820.53	15.24%	1.25%
NORTH DAKOTA	18	21	\$57,930,270.82	1	5.56%	2	9.52%	\$2,997,630.18	5.17%	\$1,059,966.36	35.36%	1.83%
OHIO	62	72	\$269,882,470.14	7	11.29%	7	9.72%	\$31,653,433.37	11.73%	\$5,558,474.00	17.56%	2.06%
OKLAHOMA	110	122	\$586,016,544.79	19	17.27%	22	18.03%	\$90,373,244.70	15.42%	\$14,962,956.20	16.56%	2.55%
OREGON	83	96	\$303,001,371.86	4	4.82%	5	5.21%	\$20,499,601.89	6.77%	\$11,925,366.10	58.17%	3.94%
PENNSYLVANIA	33	36	\$160,154,518.11	6	18.18%	6	16.67%	\$14,959,037.50	9.34%	\$7,049,059.07	47.12%	4.40%
PUERTO RICO	8	8	\$49,786,448.59	1	12.50%	1	12.50%	\$192,999.80	0.39%	\$2,036.22	1.06%	0.00%
RHODE ISLAND	6	6	\$8,540,996.89	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
SOUTH CAROLINA	83	103	\$626,077,283.05	10	12.05%	12	11.65%	\$72,025,586.58	11.50%	\$11,736,404.27	16.29%	1.87%
SOUTH DAKOTA	15	19	\$61,574,801.22	2	13.33%	5	26.32%	\$40,234,029.59	65.34%	\$2,239,889.54	5.57%	3.64%
TENNESSEE	32	37	\$201,328,217.73	1	3.12%	2	5.41%	\$5,366,907.97	2.67%	\$908,799.94	16.93%	0.45%
TEXAS	84	92	\$613,511,476.68	11	13.10%	13	14.13%	\$112,607,369.16	18.35%	\$22,541,953.22	20.02%	3.67%

Note: Number of Borrowers Count is Unduplicated

THE AMT UNPD PRIN OUTSTANDING REPRESENTS UNPAID PRINCIPAL AS OF THE LAST RBS STATUS UPDATE

\*\*\*\* Controlled Unclassified Information \*\*\*\*



**United States Department of Agriculture  
Rural Development - Business Programs  
Analysis of Delinquencies National Summary (Guaranteed Only)**

GLS4067S

Facility State	***** Total Active Loans *****				***** Delinquent Loans *****							
	Borr Count	Loan Count	Amt Unpd Prn Outstanding	# Delq Borr	% of Total	# Delq Loans	% of Total	Amt Unpd Prn Outstanding	% of Total	Amount Past Due	% of Delq Unpd Prin	% of Total Unpd Prin
UTAH	14	15	\$104,546,357.10	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
VERMONT	13	14	\$40,215,798.46	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
VIRGIN ISLANDS	23	28	\$101,589,009.89	11	47.83%	13	46.43%	\$67,348,982.04	66.30%	\$14,123,012.14	20.97%	13.90%
VIRGINIA	26	31	\$148,707,700.69	2	7.69%	2	6.45%	\$7,680,673.78	5.16%	\$12,948.10	0.17%	0.01%
WASHINGTON	51	54	\$182,128,546.29	3	5.88%	3	5.56%	\$8,733,601.24	4.80%	\$4,848,586.83	55.52%	2.66%
WEST VIRGINIA	33	39	\$105,989,805.11	2	6.06%	2	5.13%	\$9,612,951.84	9.07%	\$3,198,163.03	33.27%	3.02%
WESTERN PACIFIC (WP)	6	6	\$7,054,301.01	1	16.67%	1	16.67%	\$1,641,031.23	23.26%	\$664,580.82	40.50%	9.42%
WISCONSIN	36	43	\$156,446,114.81	1	2.78%	1	2.33%	\$624,593.00	0.40%	\$95,911.50	15.36%	0.06%
WYOMING	25	26	\$36,160,660.24	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	0.00%
<b>Total:</b>	<b>2,498</b>	<b>2,850</b>	<b>\$11,922,710,122.12</b>	<b>198</b>	<b>7.93%</b>	<b>234</b>	<b>8.21%</b>	<b>\$1,265,798,580.30</b>	<b>10.62%</b>	<b>\$281,612,831.49</b>	<b>22.25%</b>	<b>2.36%</b>

Note: Number of Borrowers Count is Unduplicated

THE AMT UNPD PRIN OUTSTANDING REPRESENTS UNPAID PRINCIPAL AS OF THE LAST RBS STATUS UPDATE

\*\*\*\* Controlled Unclassified Information \*\*\*\*