



Rural Development
U.S. DEPARTMENT OF AGRICULTURE



Business, Electric and Telecom Section Loan Servicing Support Guide

Together, America Prospers

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Introduction

Your USDA Rural Electric or Telephone (RET), Rural Telephone Bank (RTB), Broadband (BBL), Rural Energy Savings Program (RESP) or Federal Financing Bank (FFB) loan is serviced by the Business, Electric and Telecom Section (BETS) located in our St. Louis-based Servicing Office. Our mission is to provide – through exemplary customer service – efficient loan servicing for USDA RD programs.

Role of the Servicing Office’s Business, Electric and Telecom Section

BETS offers a variety of services designed to assist and support rural cooperatives and other organizations with USDA Rural Development loans. Following are descriptions of some of the ways we can help you.

Payment Processing

We can help you understand your billing statement, including such things as knowing how much, when, and where to make your payment.

- Monthly billing statements are generated around the tenth day of each month. You will receive your statement about 10 days before your payment due date.
- For all programs except FFB, your monthly payment is first applied to all outstanding interest through the current payment due date, then to any overdue principal amounts, then to outstanding principal as billed in your installment or amortization schedule. Any overdue amounts will be included in the next billing cycle and will be visible on your statement. For FFB loans, see page 7.

Amortization Schedules and Interest Rate Confirmations

At your request — and as soon as the day after an advance has been issued — we will supply an amortization schedule for new and existing advances. While it is not possible to provide an official interest rate confirmation, we can provide verification of the current interest rate on an advance. For FFB loans, see page 7.

Quarterly Statements

Quarterly statements are mailed about 15 days following the end of each quarter (March 31, June 30, September 30, and December 31). Quarterly statements include information from all loan programs, including the account number, dates and types of transactions, interest rate, principal, and deferred principal. At your request, we will also provide copies of prior quarterly statements.

Audit Confirmations

Confirmations to the auditor of record usually are mailed 15 days after the audit date. A copy will be provided to your auditor of record upon request. You can also ask us to release a copy to a designated third party.

- For changes to your auditor of record or audit date, please email your request to the Technical Accounting Review Branch at sm.rd.cmpl.tarb@usda.gov.
- Be sure to include your 6-digit borrower identification number, the auditor's name, mailing address, and phone number.

NOTE: Without your approval, we cannot release audit information to an outside party other than the auditor of record.

Managing Rollovers

We usually email RET rollover letters within 30 days of the interim maturity date. Your questions and completed forms must be returned to BETS by email at rd.so.bets@usda.gov by the deadline shown in the letter. For FFB loans, see page 7.

Contact Information

For questions, concerns, or requests regarding your loan or loans, please email BETS at rd.so.bets@usda.gov.

Payment Options

Customer Initiated Payment (CIP)

We strongly encourage you to use our Customer Initiated Payment (CIP) portal to make your payments. This free portal allows you to schedule payments up to 30 days before the due date provided on your bill. However, your payment must be scheduled by 8 p.m. eastern the business day before it is due.

The effective date of your payment must be the due date or on the prior business day if the due date falls on a weekend or holiday. Online instructions are available at this link: <https://rdupcip.sc.egov.usda.gov>.

For questions or concerns regarding CIP, email the Collections Branch (CB) at rd.cfo.cb@usda.gov, or call (314) 457-4023.



Fedwire Bank Routing

ROUTING TRANSIT NO. 021030004
TREAS NYC
ACCOUNT (ALC) 12200408

If Fedwire is your preferred payment method, be sure to include your 6-digit borrower identification number at the beginning of the remarks or reference field to ensure your payment is applied to the correct account.

Other Information

Daily Interest Accrual

Our Commercial Loan Servicing System (CLSS) adds interest daily on the outstanding principal balance of RET, RTB, RESP and BBL loans. It calculates the actual number of days your balance is outstanding, up to and including the effective date your payment is received by the Cash Management Collections Branch.

On your monthly billing statement, you will see you are billed interest accrued **after** the effective date of the prior month through the next month's billing statement due date. However, your installment amount will not change.

CLSS cannot apply payments toward a future date. As a result, payments made before the due date apply only toward interest accrued through the effective date; not to interest accrued after the effective date through the billing statement's due date.

The billing statement due date is always the last day of the month, whether that falls on a weekday, weekend, or holiday. Therefore, if you make an early payment, it results in an overpayment of **loan interest**. That overpayment applies toward the principal of your oldest RET loan, or to the present loan if no older loan exists. These payments are not considered prepayments. For FFB loans, see "Processing Payments" on page 7.

Computation of current interest due:

Here is the formula we use for computing current interest due:

$$CID = ((PB * IR) * NDLP / NDCY) - IOP$$

CID: Current Interest Due
PB: Principal Balance
IR: Interest Rate
NDLP: Number of days from last payment date that affected principal to the date of payment or billing due date
NDCY: Number of days in the calendar year
IOP: Amount of interest paid if interest-only payment was received

Assumptions for examples 1 and 2 below:

Installment: \$1,200 (\$801.37 interest plus \$398.63 principal)
PB: \$150,000
IR: 6.5 percent
NDCY: 365
Last Payment Date: August 31, YYYY
Due Date: September 30, YYYY

Example 1 – early payment on September 25, YYYY:

$$CID: ((\$150,000 * .065) * 25/365) = \$667.81$$

Therefore, \$532.19 will be applied to principal, rather than to the scheduled \$398.63.

Example 2 – late payment on October 5, YYYY:

$$CID: ((\$150,000 * .065) * 35/365) = \$934.93$$

Therefore, \$265.07 will be applied to principal, rather than to the scheduled \$398.63.

Definitions for Billing of Interest and Principal Due

Account Number: A number derived from a combination of information from the USDA Rural Development program, note designation, loan designation, and advance number.

Current Interest: The interest part of the payment due, from the previous payment's effective date through the billing statement due date.

Date Due: The date your payment is due.

Grand Total Due: The total of all amounts due for all programs.

Net Total Due: The total amount of all amounts due on a particular statement.

Note Designation: The number assigned to the promissory note.

Other Amount Due: The amount due from other billing items.

Other Billing Item: The designation that indicates other items due, such as refinancing fees or Section 9 interest (see definition to the right).

Outstanding Principal: The balance of the principal amount still due.

Overdue Amount: Any past-due amount to be included in total amount due.

Payment Due: The total amount of principal, current interest, and other amounts due.

Principal Due: The non-interest amount of the payment due.

Program: The agency loan originator for the account referenced.

Reference Number: Your 6-digit borrower identification number.

Section 9 Interest: A fee assessed by FFB to cover expenses and contingencies. It accrues on the outstanding principal amount of each advance from the date on which the respective advance is made to the date on which the principal amount of the advance is due. The fee on each advance is equal to one-eighth of one percent (.0125) per annum of the unpaid principal balance of the advance. The fee on each advance is computed in the same manner accrued interest is computed under paragraph 6(b) of your loan note, and is due and payable at the same time accrued interest is due and payable under paragraph 7 of your loan note. The fee on each advance must be credited to USDA's Rural Utilities Service as required by the Federal Credit Reform Act of 1990, amended (2 U.S.C. Section 661 – available at this link: <https://tinyurl.com/3j7hh694>.)

Total Amount Due: The total amount due to USDA Rural Development.

Totals: The sum of each field for all accounts.



Definitions for Statement of Loan Account and Transactions

Account Number: A number derived from a combination of information from the USDA Rural Development program, note designation, loan designation, and advance number.

Balance as of Month, Day, Year: The total on this specific date of all unpaid balances for all loan accounts.

Capitalized Interest: The outstanding amount of accrued interest capitalized on a quarterly basis.

Date of Transaction: The effective date of a particular transaction or event.

Deferred Principal Outstanding Balance: The amount of unpaid deferred principal.

Event Name: The identification of the transaction processed or event for which balances are displayed.

Interest Rate: The interest rate on the account as of the effective date of the transaction or event.

Loan Designation: The letter and number assigned to your loan contract.

Note Amount: The amount on the promissory note of a specific loan.

Note Date: The date the promissory note's provisions are effective.

Note Designation: The identification number assigned to the promissory note.

Paid or Applied: The amount you paid or applied to the account described in the event name column.

Principal Outstanding Balance: The amount of unpaid principal. The total amount due to USDA Rural Development.

Reference Number: Your identification number.

Unadvanced Amount: The amount left for disbursement on a promissory note.

Federal Financing Bank Loans

FFB Amortization Schedules

The Federal Financing Bank (FFB) generates and emails amortization schedules – including advance details and interest rates – the night before an advance date.

To update your contact information and receive your amortization schedule from FFB, please email BETS at rd.so.bets@usda.gov and cc: FFB_Admin@treasury.gov.

FFB Rollovers

FFB rollover letters usually are mailed using the U.S. Postal Service 45 days before the rollover date. You must return your completed forms to all parties listed in the rollover letter no later than the deadline noted. If you have questions about a rollover letter, email BETS at rd.so.bets@usda.gov.

FFB Processing Payments

You can make payments on FFB debt any time during the billing cycle. Your payment will be applied according to the bill – regardless of the effective date – as long as your payment is received on or before the due date. Unpaid balances due are charged daily interest.

In keeping with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, USDA, its agencies, offices, and employees – and institutions participating in or administering USDA programs – are prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability, age, marital status, family or parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity. This applies to any program or activity conducted or funded by USDA. NOTE: Not all discriminatory bases apply to all programs, and complaint filing deadlines and available remedies differ by program.

If you need a different way to receive and understand the information included in this document (for example, Braille, large print, audiotope, or American Sign Language, among others) you can contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY), or contact USDA through the Federal Relay Service at 711. Program information also can be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form (available at this link: tinyurl.com/USDA-AD3027) or from any USDA office. Or, write a letter addressed to USDA and provide all of the information requested in the form. You can call (866) 632-9992 to request a copy of the complaint form.

Submit your completed form or letter to USDA by:

Email: program.intake@usda.gov

Postal mail:

U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW, Washington, D.C. 20250-9410

Fax: (202) 690-7442

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