

# Community Facilities Direct Loan Program

## Immediate Relief for Rural Borrowers Affected by the COVID-19 Pandemic

**USDA Rural Development (RD) is providing more flexible servicing options to help Community Facilities Direct Loan Program borrowers experiencing temporary cash flow issues due to the Coronavirus (COVID-19) pandemic.**

### **Request to Defer Principal and Interest Payments**

- Borrowers impacted by COVID-19 who had a current repayment status as of March 1, 2020, may request to defer principal and interest payments for up to one year.
- The Agency will determine payment deferrals on a case-by-case basis.

### **What are the terms?**

- During the deferral period, interest will continue to accrue on the account.
- Interest will not be waived once the deferral period expires.

### **Are there additional requirements?**

To defer principal or interest payments, the borrower must:

- Demonstrate an experienced hardship such as a loss of income, reduced work hours, or illness that impacts the ability to make payments to RD;
- If available, provide a current budget and financial statements of the most recent actual year;
- Provide a written statement describing how the pandemic impacted the operation of the facility and hindered cash flow in circumstances beyond their control;

- Provide a proposed operations plan to address scheduled loan repayment at the end of the agreement. The proposed plan can include re-amortization of the remaining payments within the original loan term after the deferral period expires;
- Be current on their account as of March 1, 2020; and
- Be in compliance with loan agreements and Agency regulations.

### **How do we get started?**

Contact your local RD office to discuss your direct loan.

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**NOTE: For additional information, please contact your local office for assistance. You will find additional resources, and program information at rd.usda.gov. *USDA is an equal opportunity provider, employer, and lender.***