

USDA Rural Development COVID-19 Resources

Actions Taken by USDA Rural Development to Help Rural Residents, Businesses, and Communities Impacted by the COVID-19 Pandemic

Visit rd.usda.gov/coronavirus for information on Rural Development loan payment assistance, application deadline extensions, and more.

On April 13, 2020, USDA unveiled a one-stop-shop of federal programs that can be used by rural communities, organizations and individuals impacted by the COVID-19 pandemic. The [COVID-19 Federal Rural Resource Guide](#) (PDF, 349 KB) is a first-of-its-kind resource for rural leaders looking for federal funding and partnership opportunities to help address this pandemic.

On May, 4, 2020, USDA released a summary of [key service changes](#) to increase the use of telehealth in response to the COVID-19 pandemic. These changes will help ensure that more rural residents can access care when and where they need it during this pandemic. This summary is intended to help interested parties understand the telehealth changes that have been made and explore new ways to support health care providers as they increase or transition to virtual care services.

Rural Housing Service

Single-Family Housing

Effective March 19, borrowers with USDA single-family housing Direct and Guaranteed loans are subject to a moratorium on foreclosure and eviction for a period of 60 days. This action applies to the initiation of foreclosures and evictions and to the completion of foreclosures and evictions in process.

Direct Loan Program:

- USDA has waived or relaxed certain parts of the application process for Single-Family Housing Direct Loans, including site assessments, and has extended the time period that certificates of eligibility are valid.
- A Direct Loan borrower who is experiencing a reduction of income can request a Payment Assistance package to see if he/she is eligible for payment assistance or for more assistance than currently received.
- Moratorium assistance for up to 180 days is available for Direct Loan borrowers experiencing financial hardship due, directly or indirectly, to the COVID-19 emergency. You can call us and verbally request a payment moratorium. Borrowers have the option to cancel the moratorium at any time or request the moratorium be extended up to an additional 180 days.
- Direct Loan questions should be directed to USDA's Customer Service Center at 800-414-1226. The Customer Service Center is experiencing high call volumes during this COVID-19 Crisis. The call center has expanded hours from 7 a.m. until 7 p.m. CT Mon - Fri; and 8 a.m. to 1 p.m. CT on Saturdays.

Guaranteed Loan Program:

- Upon receiving a request for a forbearance from a borrower who attests to financial hardship directly or indirectly caused by COVID-19, lenders shall provide immediate forbearance of the borrower's [Single Family Housing Guaranteed Loan](#) payment for a period of up to 180 days. In addition, the initial forbearance period may be extended up to an additional 180 days at the borrower's request.

- **Effective period:** Lenders may approve the initial 180-day COVID-19 Forbearance no later than October 30, 2020.
- USDA is granting lender temporary exceptions pertaining to appraisals, repair inspections and income verification for the Single-Family Housing Guaranteed Loan Program (SFHGLP) due to the COVID-19 pandemic. Effective immediately, the following exceptions to Agency guidance found at HB-1-3555 are in effect for a period of 60-days. In accordance to the CARES Act, this guidance remains unchanged and in effect.
- **Residential Appraisal Reports—Existing Dwelling:** For purchase and non-streamlined refinance transactions, when an appraiser is unable to complete an interior inspection of an existing dwelling due to concerns associated with the COVID-19 pandemic, an “Exterior-Only Inspection Residential Appraisal Report,” (FHLMC 2055/FNMA 2055) will be accepted. In such cases, appraisers are not required to certify that the property meets HUD HB 4000.1 standards. The appraisal must be completed in accordance with the Uniform Standards of Professional Practice (USPAP) and the Uniform Appraisal Dataset (UAD). This exception is not applicable to new construction properties or construction-to-permanent loans. As a reminder, appraisals are not required for streamlined and streamlined-assist refinance transactions.
- **Repair Inspections—Existing Dwelling:** For loans for which a completion certification is not available due to issues related to the COVID-19 pandemic, a letter signed by the borrower confirming that the work was completed is permitted. Lenders must also provide further evidence of completion, which may include photographs of the completed work, paid invoices indicating completion, occupancy permits or other substantially similar documentation. All completion documentation must be retained in the loan file. This exception is not applicable to rehabilitation and repair loans noted in section 12.28 of HB-1-3555.
- **Verbal Verification of Employment:** Lenders must document and verify the borrower’s annual and repayment income in accordance with Agency regulations. Lenders should use due diligence in obtaining the most recent income documentation to reverify the borrower’s repayment ability prior to closing. When the lender is unable to obtain a Verbal Verification of Employment (VVOE) within 10 business days of loan closing due to a temporary closure of the borrower’s employment, alternatives should be explored. For example, email correspondence with the borrower’s employer is an acceptable alternative to a VVOE. If the lender is unable to obtain a VVOE or acceptable alternative, the requirement will be waived when the borrower has a minimum of two months cash reserves. In the case of a reduction of income, the borrower’s reduced income must be sufficient to support the new loan payment and other non-housing obligations. Borrowers with no income at the time of closing are not eligible for SFHGLP loans regardless of available cash reserves.
- **Expiration of Temporary Exceptions:** These temporary exceptions will expire 60 days from the date of this notice.
- To implement and align with the provisions of the CARES Act:
 - Effective immediately upon receiving a request for a forbearance from a borrower who attests to financial hardship directly or indirectly caused by COVID-19, lenders shall provide immediate forbearance of the borrower’s guaranteed loan payment for a period of up to 180 days. In addition, the initial forbearance period may be extended up to an additional 180 days at the borrower’s request.
 - During the forbearance options outlined above, no accrual of fees, penalties or interest may be charged to the borrower beyond the amounts calculated as if the borrower had made all contractual payments in a timely fashion.
 - Upon completion of the forbearance, the lender shall communicate with the borrower and determine if the borrower is able to resume making regular contractual payments. If so, the lender shall offer the borrower a written re-payment plan to resolve any amount due or at the borrower’s request, extend the loan term for a period that is at least the length of the forbearance.
 - If the lender determines the borrower is financially unable to resume making contractual payments at the

end of the forbearance, the borrower shall be evaluated for all available options presented in the Loss Mitigation Guide which is found at Attachment 18-A in [Chapter 18](#) of our 3555 Technical Handbook: <https://www.rd.usda.gov/sites/default/files/3555-1chapter18.pdf>.

- **Effective period:** Lenders may approve the initial 180-day COVID-19 Forbearance no later than October 30, 2020.
- Guaranteed Loan servicing questions should be directed to: sfhgld.program@usda.gov.
- For more information, visit the following web pages:
 - SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>
 - SFHGLP webpage: <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>
 - USDA LINC Training and Resource Library: <https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>
 - Procedure Notices: <https://www.rd.usda.gov/resources/directives/procedures-notice>

Multi-Family Housing

Sections 4023 and 4024 of the CARES Act apply to the Multifamily Direct and Guaranteed portfolios.

- The CARES Act allows Multifamily borrowers to request forbearance if they are experiencing financial hardship due to COVID-19. Multifamily Housing has existing authority in 7 CFR §3560.453 to take special servicing actions as part of a workout plan on Section 514 and 515 loans to prevent a default, and under that authority will approve a deferral of up to 3 monthly loan payments. For your convenience, attached is a sample streamlined workout agreement proposal that MFH considers to be in compliance with the requirements of 7 CFR §3560.453(c). Borrowers are welcome to use that sample or submit your requests orally or in another written format to your assigned Multifamily Servicing Official.
- Once this information is submitted to your assigned Multifamily Servicing Official, within five business days your request will be processed by the field office and sent to the National Finance, Accounting and Operations Center (NFAOC) in St. Louis to adjust your account. If your loan payment is normally offset against your Rental Assistance payment, you will receive your full RA payment without the mortgage payment deducted. If you normally send in a payment, you do not need to do anything further.
- If the initial forbearance period is for less than 90 days, borrowers can request an extension of up to 90 days total, but must request the extension at least 15 days prior to the expiration of the initial period. Forbearance can be ended at any time by contacting your assigned Multifamily Servicing Official. Payments will be deferred for up to 90 days without any additional interest or late fees. When the loan reaches maturity, any deferred payments will be added to the final payment.
- Guidance on forbearance requests for a Section 538 loans will be provided later this week.
- The CARES Act prohibits evictions due to non-payment of rent for the next 120 days and does not allow owners to charge late fees or otherwise penalize tenants who are unable to pay rent. This eviction prohibition became effective upon enactment of the CARES Act (March 27, 2020) and is effective for 120 days for Section 514, Section 515 and Section 538 loans, as well as Multifamily voucher holders. As stated in 7 CFR §3560.452(c)(8), failure to comply with this Federal law is considered a non-monetary default.

Multi-Family Housing is taking several steps to help owners, management agents and tenants maintain quality housing during the COVID-19 outbreak. Specifically, three immediate steps are effective for Section 515 Multi-Family properties:

- Tenant certifications due March 31, April 30 and May 31 for Multi-Family properties have been extended to June 30 with no late fees or overage charges, as allowed in Multi-Family guidance (HB-3-3560, Chapter 4, Section 4.11). This extension will allow for additional time to complete needed certifications while

avoiding face-to-face meetings as recommended by the Centers for Disease Control and Prevention (CDC).

- Late fees on Section 515 mortgages will be waived, subject to waiver authority in 7 CFR 3560.403 (c)(3).
- Section 515 Annual Financial Statements due March 31 will be extended 30 days, as per Multi-Family guidance (HB-2-3560 Chapter 4, Section 4.16-H). USDA is exploring whether a longer extension is appropriate and will provide further guidance.
- Current policy states that owners must process an interim recertification at the tenant's request if there is a change in income of \$50 or more per month. The owner should already have this policy in writing and apply it consistently. To the maximum extent possible, we encourage all owners to work with all tenants with impacted income to adjust rent payments.
- USDA encourages all owners to work with impacted residents and families to adjust rent payments, enter into forbearance agreements, and lessen the impact on affected residents. At this time, no additional subsidy funding has been made available. If borrowers are temporarily unable to make loan payments, the Agency may waive late fees and enter into an official workout plan.

USDA announced forbearance guidelines for the Multi-family Housing Guaranteed Loan Program as it applies to Section 4023 of the CARES Act. Guidelines are as follows:

For Forbearance of Stand-Alone Section 538 Loans:

- Lender fees should be reasonable and related to the drafting of the agreement. \$750 is considered reasonable for these purposes.
- The forbearance amount should be tailored to address the borrower's stated financial hardship. Any additional interest charged is negotiated between the lender and borrower but should not be higher than the note interest rate.
- Distributions should not be taken while a project is under a forbearance agreement or during any repayment period.
- If the Section 538 loan was sold to the Government National Mortgage Association (GNMA), repayment of forbearance must comply with the lender's securitization agreement with GNMA.

For Forbearance of Section 538 Loans with Subordinate Section 515 Loan(s):

- The above guidance for stand-alone Section 538 loans applies.
- The lender should confirm with the borrower and USDA whether the borrower has received forbearance on the subordinate Section 515 loan(s).
 - If the borrower has received forbearance on a Section 515 loan, the lender should include this in its calculation of needed Section 538 forbearance.
 - If the borrower has not received forbearance on a Section 515 loan, the lender should have the borrower contact his/her Multi-family Servicing Official to discuss forbearance in order to accurately assess the financial hardship caused by the public health crisis.
- If the borrower requires forbearance of a Section 538 loan, the lender may enter into a repayment plan with the borrower. The forbearance repayment plan will be considered an allowable expense in the Section 515 budget per Handbook 2-3560, Attachment 4-C.

Completed forbearance agreements must be sent to Adam.Hauptman@USDA.gov.

Community Facilities

- Effective May 12, 2020, through September 30, 2020, the USDA Community Facilities Direct Loan Program will temporarily allow borrowers with direct loans to request payment deferrals to assist those that are experiencing temporary cash flow issues due to the pandemic.
- On a case-by-case basis, USDA will provide the option of principal and interest payment deferrals to borrowers

impacted by COVID-19 for up to one year due to hardship. The borrower must request any payment deferments from the Agency in writing.

- For additional information, please see page 22009 of the April 21, 2020, [Federal Register](#).
- Effective March 31, 2020, until September 30, 2020, lenders may offer 180-day loan payment deferrals without prior agency approval for [Community Facilities Loan Guarantees](#). For additional information, see page 17721 of the March 31, 2020, [Federal Register](#).
- On April 8, 2020, USDA expanded upon the deferral flexibilities it announced [March 31, 2020](#). Guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.
- The expanded notice provides that guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.
- Guaranteed lenders must notify USDA Rural Development in writing of any covered loans made under Section 1102 of the [CARES Act](#). Written notification will meet the standard for concurrence until Sept. 30, 2020. After Sept. 30, 2020, lenders must resume obtaining Agency approval in accordance with all applicable program regulations, forms and existing authorities. For additional information, see page 19655 of the April 8, 2020, [Federal Register](#).
- On April 24, 2020, USDA provided guidance on the resources provided in the [Paycheck Protection Program and Health Care Enhancement Act \(HR.266\)](#) recently passed by Congress and signed into law by President Trump.
 - Current borrowers in USDA's Community Facilities Direct Loan program who apply for a loan through the PPP are not required to obtain prior written consent. However, borrowers must continue to follow program requirements for additional debt requests and requests involving the subordination or parity of security.
 - Community Facilities lenders may also approve and make covered loans under the PPP. Guaranteed lenders must notify USDA Rural Development in writing of any covered loans made under the PPP. Written notification will meet the standard for concurrence until Sept. 30, 2020.

Rural Utilities Service

- The [CARES Act](#) provided \$100 million in additional funding to the program. USDA received 11 round two ReConnect Program applications that are eligible for this funding.
- Rural Development was provided an additional \$25 million in the [CARES Act](#) for the Distance Learning and Telemedicine grant program. USDA will make a separate announcement in coming weeks when these funds are available.
- On March 20, 2020, USDA extended for 60 days the deadline for Telecommunications and Electric Program borrowers and grantees to submit their annual CPA audit. In most cases, such audits are due to the agency by April 30, 2020.
- USDA is waiving borrower covenant requirements for loan agreement financial ratios for the period from Jan. 1, 2020 through Dec. 31, 2020. Additionally, USDA is waiving all financial reporting requirements associated with existing Rural Utilities Service (RUS) loan and grant covenants beginning Jan. 1, 2020 through June 30, 2020.
- The RUS Administrator has delegated authority to the RUS Telecommunications, Electric, and Water and Environmental Programs to consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency.

- Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.
- On a case-by-case basis, USDA will help Electric Program borrowers gain access to obligated funds more quickly at current low interest rates by considering extensions of loan terms (within statutory limits); considering requests to move obligated funds between the Electric Program's six budget purposes where the new purpose has cleared environmental review; and by considering Temporary Normal Inventory (TNI) requests.
- On April 24, 2020, USDA provides guidance on the resources provided in the Paycheck Protection Program and Health Care Enhancement Act (HR.266) recently passed by Congress and signed into law by President Trump.
 - Depending on the program, USDA Electric, Telecommunications and Rural Energy Savings Program borrowers are required to seek prior written consent of the Rural Utilities Service (RUS) for additional outside indebtedness pursuant to certain terms in the regulations and loan documents.
 - For those borrowers where prior RUS consent would be needed, RUS waives the requirement of consent for any loan made by the SBA under the PPP as published in the Federal Register, provided RUS is notified of the SBA emergency loan before execution. Borrowers must continue to follow program requirements for additional debt requests and requests involving the subordination or parity of security.
 - The Small Business Administration (SBA) has issued an interim final rule that clarifies the eligibility of electric cooperatives for the Paycheck Protection Program. Electric cooperatives that are 501(c)(12) eligible are approved to access the program by the SBA. Furthermore, USDA has approved usage of the Paycheck Protection Program provided electric cooperatives notify the RUS if they end up using that resource. They do not need pre-approval to do so.

Water and Waste Disposal Program

- Effective March 31, 2020, until September 30, 2020, lenders may offer 180-day loan payment deferrals without prior agency approval for Water and Waste Disposal Loan Guarantees. For additional information, see page 17721 of the March 31, 2020, Federal Register.
- On April 8, 2020, USDA expanded upon the deferral flexibilities it announced March 31, 2020. Guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.
- The expanded notice provides that guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.
- Guaranteed lenders must notify USDA Rural Development in writing of any covered loans made under Section 1102 of the CARES Act. Written notification will meet the standard for concurrence until Sept. 30, 2020. After Sept. 30, 2020, lenders must resume obtaining Agency approval in accordance with all applicable program regulations, forms and existing authorities. For additional information, see page 19655 of the April 8, 2020, Federal Register.
- On April 24, 2020, USDA provides guidance on the resources provided in the Paycheck Protection Program and Health Care Enhancement Act (HR.266) recently passed by Congress and signed into law by President Trump.
 - Current borrowers in USDA's Water and Waste Disposal loan program who apply for a loan through the PPP are not required to obtain prior written consent. However, borrowers must

continue to follow program requirements for additional debt requests and requests involving the subordination or parity of security.

- Water and Wastewater lenders may also approve and make covered loans under the PPP. Guaranteed lenders must notify USDA Rural Development in writing of any covered loans made under the PPP. Written notification will meet the standard for concurrence until Sept. 30, 2020.
- For assistance, please contact:
 - Electric Program: Christopher McLean, Christopher.mclean@usda.gov, 202-407-2986
 - Telecommunications Program: Laurel Leverrier, laurel.leverrier@usda.gov, 202-495-9142
 - Water and Environmental Programs: Edna Primrose, edna.primrose@usda.gov, 202-494-5610

Rural Business-Cooperative Service

Business & Industry (B&I) CARES Act Program

Effective May 22, 2020, USDA is making available up to \$1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. Additionally, agricultural producers that are not eligible for USDA Farm Service Agency loans may receive funding under USDA Business & Industry (B&I) CARES Act Program provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

In addition to expanding eligibility to certain agricultural producers, the changes allow USDA to:

- Provide 90 percent guarantees on B&I CARES Act Program loans;
- Set the application and guarantee fee at two percent of the loan;
- Accept appraisals completed within two years of the loan application date;
- Not require discounting of collateral for working capital loans, and
- Extend the maximum term for working capital loans to 10 years.

B&I CARES Act Program loans must be used as working capital to prevent, prepare for or respond to the effects of the coronavirus pandemic. The loans may be used only to support rural businesses, including agricultural producers, that were in operation on February 15, 2020.

USDA intends to consider applications in the order they are received. However, the Department may assign priority points to projects if the demand for funds exceeds availability.

USDA announced the expanded B&I authorities in a notice published on page 31139 of the May 22 Federal Register. The Department will begin accepting applications for B&I loan guarantees on May 22, 2020. Applications must be received no later than midnight Eastern Daylight Time on September 15, 2021, or until funds are expended. Program funding expires September 30, 2021.

The Agency also will host a webinar on Wednesday, June 3 at 2:00 p.m. Eastern Time to provide an overview of program requirements. To register, visit https://globalmeetwebinar.webcasts.com/starthere.jsp?ei=1324161&tp_key=6067315417.

Additional Guaranteed Programs

Effective March 31, 2020, until September 30, 2020, lenders may offer 180-day loan payment deferrals without prior agency approval for Business and Industry Loan Guarantees, Rural Energy for America Program Loan Guarantees. For additional information, see page 17721 of the March 31, 2020, Federal Register.

On April 8, 2020, USDA expanded upon the deferral flexibilities it announced March 31, 2020. Guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.

The expanded notice provides that guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.

On April 24, 2020, USDA provided guidance on the resources provided in the [Paycheck Protection Program and Health Care Enhancement Act \(HR.266\)](#) recently passed by Congress and signed into law by President Trump.

- USDA's guaranteed Business & Industry, Rural Energy for America Program (REAP) programs may approve and make covered loans under the PPP. Guaranteed lenders must notify USDA Rural Development in writing of any covered loans made under the PPP. Written notification will meet the standard for concurrence until Sept. 30, 2020.

Programs for RBCS Intermediary Borrowers

- RBCS intermediary borrowers continue to have authority to service loan portfolios independent of USDA. Intermediary borrowers participating in these programs may approve loan payment deferrals for their borrowers without USDA approval. These programs are:
 - Intermediary Relending Program (IRP)
 - Rural Business Development Grant (RBDG)
 - Rural Economic Development Loan and Grant (REDL and REDG)
 - Rural Microentrepreneur Assistance Program (RMAP)
- For existing Intermediary Relending Program (IRP) and Rural Economic Development Loan (REDL) borrowers, the Agency is committed to maintaining well-capitalized intermediary lenders and will work with intermediaries on loan servicing requests on a case-by-case basis to make sure they remain a pillar in our rural business communities.

New and Extended Application Deadlines

USDA is extending or opening new application windows for the following programs:

Rural Business-Cooperative Service

- USDA announced the expanded B&I authorities in a notice published on page 31139 of the May 22 [Federal Register](#). The Department will begin accepting applications for B&I loan guarantees on May 22, 2020. Applications must be received no later than midnight Eastern Daylight Time on September 15, 2021, or until funds are expended. Program funding expires Sept. 30, 2021.
- USDA extended the application deadline for the *Rural Business Development Grant (RBDG)* program to no later than April 15, 2020. Contact the [Rural Development office](#) for the deadline in your state. USDA announced the extension in an Unnumbered Letter posted March 19, 2020.
- USDA extended the application deadline for the *Rural Energy for America Program (REAP)* to April 15, 2020. For additional information, see page 16925 of the March 25, 2020, [Federal Register](#).

Rural Utilities Service

- USDA extended the application deadline for the ReConnect Pilot Program to April 15, 2020. For additional information, see page 17530 of the March 30, 2020, [Federal Register](#).
- USDA opened a second application window for funding under the Distance Learning and Telemedicine (DLT) grant program. Electronic applications for window two may be submitted through [grants.gov](#) beginning April 14, 2020 and are due no later than July 13, 2020. Paper applications will not be accepted under the second window.

USDA is an equal opportunity provider, employer and lender.