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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service

BULLETIN 1780-10  
RD-GD-2000-34

SUBJECT: Letter For Use In Informing Private Lender of Agency's Commitment

EFFECTIVE DATE: March 20, 2000.

OFFICE OF PRIMARY INTEREST: Assistant Administrator, Electric Program.

FILING INSTRUCTIONS:

PURPOSE: This bulletin is issued to confirm certain understandings on behalf of RUS.

GUIDE FOR USE IN INFORMING PRIVATE LENDER OF  
RURAL UTILITIES SERVICE'S COMMITMENT

(Name and Address of Private Lender)

\_\_\_\_\_

Dear \_\_\_\_\_:

Reference is made to a request from the \_\_\_\_\_(Name of Entity)\_\_\_\_\_ through  
\_\_\_\_\_(Name)\_\_\_\_\_ its \_\_\_\_ (Title)\_\_\_\_, for interim financing from your bank to construct its  
water (and/or sewer) system at the interest rate and terms and conditions agreed upon, as reflected in the  
attached copy of your letter.

This letter is to confirm certain understandings on behalf of the Rural Utilities Service.

Final plans and specifications have been prepared and approved, bids have been taken, and the (town  
council or board of directors) is prepared to award the construction contract to the qualified low bidder. It  
has been determined by the applicant and the Rural Utilities Service that the conditions of loan (and/or  
grant) closing can be met.

Funds have been obligated for the project by the Rural Utilities Service.

It is proposed by the \_\_\_\_ (Name of Entity)\_\_\_\_ with the approval of the Rural Utilities Service that the bank  
advance funds, in accordance with the agreed terms and conditions stated in the attached letter, as  
needed to pay for construction and other authorized and legally eligible expenses incurred by the  
\_\_\_\_ (Name of Entity)\_\_\_\_, upon presentation of proper statements or work estimates approved by the  
\_\_\_\_ (Name of Entity)\_\_\_\_ authorized representative and the authorized official of the Rural Utilities Service.

We have scheduled the Rural Utilities Service loan to be closed when construction to be financed with  
loan funds is substantially complete, so that funds will be available to pay off the total amount of advances  
your bank has made for authorized approved purposes, including accrued interest to the date of closing.

We appreciate your assistance to the community and look forward to working with you on this project.

Sincerely,

State Program Official  
Rural Utilities Service