

117TH CONGRESS
1ST SESSION

S. 978

To provide for the adjustment or modification by the Secretary of Agriculture of loans for critical rural utility service providers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 25, 2021

Ms. SMITH (for herself, Mr. HOEVEN, Ms. SINEMA, Mr. BOOZMAN, Mrs. CAPITO, Mr. SCHATZ, Mr. CORNYN, Mr. KELLY, Mr. CRAMER, Ms. HIRONO, Mr. DAINES, Ms. KLOBUCHAR, Ms. ERNST, Mr. TESTER, Mr. INHOFE, Mr. PETERS, Mr. MORAN, Mr. ROUNDS, Mr. SCOTT of South Carolina, Mr. TILLIS, Mr. MARSHALL, and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide for the adjustment or modification by the Secretary of Agriculture of loans for critical rural utility service providers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Flexible Financing for
5 Rural America Act of 2021”.

1 **SEC. 2. LOAN ADJUSTMENTS FOR CRITICAL RURAL UTILITY**
2 **SERVICE PROVIDERS.**

3 (a) IN GENERAL.—Not later than 180 days after the
4 date of enactment of this Act, the borrower of a qualified
5 loan described in subsection (b) may submit to the Sec-
6 retary of Agriculture (referred to in this section as the
7 “Secretary”) a request to adjust the interest rate or mod-
8 ify any other term of the qualified loan, which shall include
9 a report summarizing how the adjustment or modification
10 will assist the borrower in providing critical utility services
11 to a rural community.

12 (b) QUALIFIED LOAN DESCRIBED.—A qualified loan
13 referred to in subsection (a) is a loan made or guaranteed
14 on or before the date of enactment of this Act under—

15 (1) section 4, 201, 305, 306, or 601 of the
16 Rural Electrification Act of 1936 (7 U.S.C. 904,
17 922, 935, 936, 950bb); or

18 (2) the program carried out under the matter
19 under the heading “DISTANCE LEARNING, TELE-
20 MEDICINE, AND BROADBAND PROGRAM” in title I of
21 division A of the American Recovery and Reinvest-
22 ment Act of 2009 (Public Law 111–5; 123 Stat.
23 118) (commonly known as the “Broadband Initia-
24 tives Program”).

25 (c) ADJUSTMENT OF INTEREST RATE; MODIFICA-
26 TION OF LOAN TERMS.—

1 (1) IN GENERAL.—On receipt by the Secretary
2 of a request made under subsection (a) with respect
3 to a loan, the Secretary, or the Secretary of the
4 Treasury in the case of a loan owned by the Federal
5 Financing Bank—

6 (A) in the case of a request for an interest
7 rate adjustment, shall adjust the interest rate
8 on the loan to the cost of funds to the Depart-
9 ment of the Treasury for obligations of com-
10 parable maturity to the term remaining on the
11 outstanding balance of the loan or other such
12 higher rate as the borrower may request; and

13 (B) in the case of a request for a modifica-
14 tion to a loan term other than the adjustment
15 described in subparagraph (A), may use the au-
16 thorities provided in sections 2, 201, 306C, and
17 703 of the Rural Electrification Act of 1936 (7
18 U.S.C. 902, 922, 936c, 950cc–2) and section
19 331(b)(4) of the Consolidated Farm and Rural
20 Development Act (7 U.S.C. 1981(b)(4)) to
21 make such other modifications to the loan
22 terms that the Secretary, in consultation with
23 the Secretary of the Treasury in the case of a
24 loan owned by the Federal Financing Bank, de-
25 termines are necessary—

1 (i) to address changes in the financial
2 position of the borrower due to the public
3 health emergency declared by the Secretary
4 of Health and Human Services under sec-
5 tion 319 of the Public Health Service Act
6 (42 U.S.C. 247d) on January 31, 2020,
7 with respect to COVID–19 (or any renewal
8 of that declaration); and

9 (ii) to promote the financial sustain-
10 ability of the borrower.

11 (2) EFFECTIVE DATE.—An adjustment or
12 modification under subparagraph (A) or (B), respec-
13 tively, of paragraph (1) shall apply—

14 (A) beginning on the first calendar day
15 after the payment date immediately following
16 the request; but

17 (B) not earlier than 30 days after the date
18 of the request.

19 (d) NO FEES OR PENALTIES.—In carrying out this
20 section, the Secretary, or the Secretary of the Treasury
21 in the case of a loan owned by the Federal Financing
22 Bank, shall not impose or collect any fee from, or impose
23 any penalty on, a borrower.

24 (e) NOTICE.—Not later than 30 days after the date
25 of enactment of this Act, the Secretary, in coordination

1 with the Secretary of the Treasury, shall publish in the
 2 Federal Register a notice of the benefits available to bor-
 3 rowers under this section.

4 (f) APPROPRIATIONS; REIMBURSEMENTS.—

5 (1) IN GENERAL.—Out of any amounts in the
 6 Treasury not otherwise appropriated—

7 (A) there are appropriated to the Secretary
 8 such sums as are necessary, to remain available
 9 until December 31, 2021, for the cost of inter-
 10 est rate adjustments under subsection
 11 (c)(1)(A);

12 (B) there is appropriated to the Secretary
 13 \$300,000,000, to remain available until Decem-
 14 ber 31, 2021, for the cost of modifications
 15 under subsection (c)(1)(B); and

16 (C) there are appropriated to the Federal
 17 Financing Bank such sums as are necessary, to
 18 remain available until December 31, 2023, for
 19 the liquidation of residual intragovernmental
 20 amounts owed by the Federal Financing Bank
 21 in connection with qualified loans described in
 22 subsection (b) modified after the date of enact-
 23 ment of this Act.

24 (2) CALCULATION.—For purposes of paragraph
 25 (1)(C), the calculation of the sums necessary for the

1 liquidation of residual intragovernmental amounts
2 owed shall take into account all amounts otherwise
3 transferred to the Federal Financing Bank for the
4 qualified loans described in that paragraph.

5 (3) EMERGENCY DESIGNATION.—

6 (A) IN GENERAL.—The amounts provided
7 by this Act are designated as an emergency re-
8 quirement pursuant to section 4(g) of the Stat-
9 utory Pay-As-You-Go Act of 2010 (2 U.S.C.
10 933(g)).

11 (B) DESIGNATION IN SENATE.—In the
12 Senate, this Act is designated as an emergency
13 requirement pursuant to section 4112(a) of H.
14 Con. Res. 71 (115th Congress), the concurrent
15 resolution on the budget for fiscal year 2018.

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