

PART 1951 - SERVICING AND COLLECTIONS

Subpart O - Servicing Cases Where Unauthorized Loan(s) or Other Financial Assistance Was Received--Community and Insured Business Programs

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Attachments: Exhibit A, B and C

PART 1951 - SERVICING AND COLLECTIONS

Subpart 0 - Servicing Cases Where Unauthorized Loan(s) or Other Financial Assistance Was Received--Community and Insured Business Programs

§1951.701 Purpose.

This subpart prescribes the policies and procedures for servicing Community and Business Program loans and/or grants made by Rural Development when it is determined that the borrower or grantee was not eligible for all or part of the financial assistance received in the form of a loan, grant, or subsidy granted, or any other direct financial assistance. It does not apply to guaranteed loans. Loans sold without insurance by the Rural Development to the private sector will be serviced in the private sector and will not be serviced under this subpart. The provisions of this subpart are not applicable to such loans. Future changes to this subpart will not be made applicable to such loans. (Revised 10-20-87, SPECIAL PN.)

§1951.702 Definitions.

As used in this subpart, the following definitions apply:

- (a) Active borrower. A borrower who has an outstanding account in the records of the Finance Office, including collection-only or an unsatisfied account balance where a voluntary conveyance was accepted without release from liability or foreclosure did not satisfy the indebtedness.
- (b) Assistance. Financial assistance in the form of a loan, grant, or subsidy received.
- (c) Debt instrument. Used as a collective term to include promissory note, assumption agreement, grant agreement/resolution, or bond.
- (d) False information. Information, known to be incorrect, provided with the intent to obtain benefits which would not have been obtainable based on correct information.
- (e) Inaccurate information. Incorrect information provided inadvertently without intent to obtain benefits fraudulently.

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Account Servicing
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§1951.702 (Cont.)

(f) Inactive borrower. A former borrower whose loan(s) has (have) been paid in full or assumed by another party(ies) and who does not have an outstanding account in the records of the Finance Office.

(g) Recipient. "Recipient" refers to an individual or entity that received a loan, or portion of a loan, an interest subsidy, a grant, or a portion of a grant which was unauthorized.

(h) Servicing official. For Community Programs, the servicing official is the District Director, an Assistant District Director, or a District Loan Specialist so designated. For Business Programs, the servicing official is the State Director or Designee.

(i) Unauthorized assistance. Any loan, interest subsidy, grant, or portion thereof received by a recipient for which there was no regulatory authorization or for which the recipient was not eligible. Interest subsidy includes subsidy benefits received because a loan was closed at a lower interest rate than that to which the recipient was entitled, whether the incorrect interest rate was selected erroneously by the approval official, or the documents were prepared in error.

§1951.703 Policy.

When unauthorized assistance has been received, an effort must be made to collect from the recipient the sum which is determined to be unauthorized, regardless of amount, unless any applicable Statute of Limitations has expired.

§1951.704 - 1951.705 [Reserved]

§1951.706 Initial determination that unauthorized assistance was received.

Unauthorized assistance may be identified through audits conducted by the Office of the Inspector General, USDA, (OIG); through reviews made by Rural Development personnel; or through other means such as information provided by a private citizen which documents that unauthorized assistance has been received by a recipient of Rural Development assistance. If the servicing official has reason to believe unauthorized assistance was received, but is unable to determine whether or not the assistance was in fact unauthorized, the case file including the advice of the Regional Office of the General Counsel (OGC) will be referred to the National Office for review and comment. In every case where it is known or believed by Rural Development that the assistance was based on false information, investigation by the OIG will be

§1951.706 (Cont.)

requested as provided for in RD Instruction 2012-B (available in any Rural Development office). If OIG conducts an investigation, the actions outlined in §1951.707 of this Subpart will be deferred until the OIG investigation is completed and the report is received. The reason(s) for the unauthorized assistance being received by the recipient will be well documented in the case file, and will specifically state whether it was due to:

- (a) Submission of inaccurate information by the recipient;
- (b) Submission of false information by the recipient; (Revised 4-9-86, PN 6.)
- (c) Submission of inaccurate or false information by another authorized party acting on the recipient's behalf including professional consultants such as engineers, architects, and attorneys, when the recipient did not know the other party had submitted inaccurate or false information;
- (d) Error by Rural Development personnel, either in making computations or failure to follow published regulations or other agency issuances; or

(e) Error in preparation of a debt instrument which caused a loan to be closed at an interest rate lower than the correct rate in effect when the loan was approved.

§1951.707 Notification to recipient.

(a) Collection efforts will be initiated by the servicing official by a letter substantially similar to Exhibit A of this Subpart (available in any Rural Development office), and mailed to the recipient by "Certified Mail, Return Receipt Requested," with a copy to the State Director and, for a case identified in an OIG audit report, a copy to the OIG office which conducted the audit and the Planning and Analysis Staff of the National Office. This letter will be sent to all recipients who received unauthorized assistance, regardless of amount. The letter will:

(1) Specify in detail the reason(s) the assistance was determined to be unauthorized;

(2) State the amount of unauthorized assistance, including any accrued interest to be repaid; and

(3) Establish an appointment for the recipient to discuss with the servicing official the basis for Rural Development's claim; and give the recipient an opportunity to provide facts, figures, written records or other information which might alter Rural Development's determination that the assistance received was unauthorized.

(b) If the recipient meets with the servicing official, the servicing official will outline to the recipient why the assistance was determined to be unauthorized. The recipient will be given an opportunity to provide information to refute Rural Development's findings. When requested by the recipient, the servicing official may grant additional time for the recipient to assemble documentation. When an extension is granted, the servicing official will specify a definite number of days to be allowed and establish the follow up necessary to assure that servicing of the case continues without undue delay.

§1951.708 Decision on servicing actions.

When the servicing official is the same individual who approved the unauthorized assistance, the next-higher supervisory official must review the case before further actions are taken by the servicing official.

(a) Payment in full. If the recipient agrees with Rural Development's determination or will pay the amount in question, the servicing official may allow a reasonable period of time (usually not to exceed 90 days) for the recipient to arrange for repayment. The amount due will be determined according to §1951.711 (a) of this Subpart. The servicing official will remit collections to the Finance Office according to the Forms Manual Insert (FMI) for Form RD 451-2, "Schedule of Remittances," as follows:

RD Instruction 1951-0
§1951.708 (a) (Con.)

- (1) In the case of a loan, for application to the borrower's account as an extra payment.
- (2) In the case of a grant, as a "Miscellaneous Collection for Application to the General Fund."
- (3) In the case of a loan or grant which was identified in an OIG audit, the servicing official will report the repayment as outlined in §1951.711 (b) (2) or 1951.715 of this Subpart as applicable.

(b) Continuation with recipient. If the recipient agrees with Rural Development's determination or is willing to pay the amount in question but cannot repay the unauthorized assistance within a reasonable period of time, continuation is authorized and servicing actions outlined in §1951.711 of this Subpart will be taken provided all of the following conditions are met:

- (1) The recipient did not provide false information as defined in §1951.702 (d) this Subpart;
- (2) It would be highly inequitable to require prompt repayment of the unauthorized assistance; and
- (3) Failure to collect the unauthorized assistance in full will not adversely affect Rural Development's financial interests.

(c) Notice of determination when agreement is not reached. If the recipient does not agree with Rural Development's determination, or if the recipient fails to respond to the initial letter prescribed in §1951.707 within 30 days, the servicing official will notify the recipient by letter substantially similar to Exhibit B of this Subpart (available in any Rural Development office) (sent by Certified Mail, Return Receipt Requested), with a copy to the State Director, and for a case identified in an OIG audit report, a copy to the OIG office which conducted the audit and the Planning and Analysis Staff of the National Office. This letter will include:

- (1) The amount of assistance finally determined by Rural Development to be unauthorized including any accrued interest.
- (2) A statement of further actions to be taken by Rural Development as outlined in paragraphs (e) (1) or (e) (2) of this section; and
- (3) The appeal rights as prescribed in Exhibit B of this Subpart (available in any Rural Development office).

(d) Appeals. Appeals resulting from the letter prescribed in paragraph (c) of this section will be handled according to Subpart B of Part 1900 of this Chapter. All appeal provisions will be concluded before proceeding with further actions. If the recipient does not prevail in an appeal, or when an appeal is not made during the time allowed, the servicing official will document the facts in the case file and submit to State Director, if the

servicing official is other than State Director, who will proceed with the actions outlined in paragraph (e) of this section, as applicable. If during the course of appeal the appellant decides to agree with Rural Development's findings or is willing to repay the unauthorized assistance, the servicing official will proceed with the actions outlined in paragraphs (a), (b), or (e) of this section.

(e) Liquidation of loan(s) or legal action to enforce collection. When a case cannot be handled according to the provisions of paragraphs (a) or (b) of this section, or if the recipient refuses to execute the documents necessary to establish an obligation to repay the unauthorized assistance as provided in §1951.711 of this Subpart, one of the following actions will be taken:

(1) Active borrower with a secured loan.

(i) The servicing official will attempt to have the recipient liquidate voluntarily. If the recipient agrees to liquidate voluntarily, this will be documented in the case file. Where real property is involved, a letter will be prepared by the servicing official and signed by the recipient agreeing to voluntary liquidation. A resolution of the governing body may be required. If the recipient does not agree to voluntary liquidation, or agrees but it cannot be accomplished within a reasonable period of time (usually not more than 90 days), forced liquidation action will be initiated in accordance with applicable Provisions of Subpart A of Part 1955 of this Chapter unless:

(A) The amount of unauthorized assistance outstanding, including principal, accrued interest, and any recoverable costs charged to the account, is less than \$1,000; or

(B) It can be clearly documented that it would not be in the best financial interest of the Government to force liquidation. If the servicing official wishes to make an exception to forced liquidation under paragraph (e)(1)(i)(B) of this section, a request for an exception under §1951.716 of this Subpart will be made.

(ii) When all of the conditions of paragraphs (a) or (b) of this section are met, but the recipient does not repay or refuses to execute documents to effect necessary account adjustments according to the provisions of §1951.711 of this Subpart, liquidation action will be initiated as provided in Paragraph (e)(1)(i) of this section.

RD Instruction 1951-0
§1951.708 (e) (1) (Con.)

(iii) When forced liquidation would be initiated except that the loan is being handled under paragraphs (e)(1)(i)(A) or (e)(1)(i)(B) of this section, continuation with the loan on existing terms will be provided. In these cases, the recipient will be notified by letter of the actions taken.

(2) Grantee, inactive borrower, or active borrower with unsecured loan (such as collection-only, or unsatisfied balance after liquidation). The servicing official will document the facts in the case file and submit it to the State Director, if the servicing official is other than the State Director, who will request the advice of the OGC on pursuing legal action to effect collection. The case file, recommendation of State Director and OGC comments will be forwarded to the National Office for review and authorization to implement recommended servicing actions. The State Director will tell OGC what assets, if any, are available from which to collect. (Revised 4-9-86, PN 6.)

§1951.709 - 1951.710 [Reserved]

§1951.711 Servicing options in lieu of liquidation or legal action to collect.

When the conditions outlined in §1951.708 (b) of this Subpart are met, the servicing options outlined in this section will be considered. Accounts will be serviced according to this section and §1951.715 of this Subpart.

(a) Determination of unauthorized loan and/or grant assistance amount.

(1) Unauthorized loan amount. The principal loan amount that was unauthorized will be determined. The unauthorized amount will be the unauthorized principal plus any accrued interest on the unauthorized principal at the note interest rate until the date paid in accordance with §1951.708 (a) of this Subpart, or until the date other satisfactory financial arrangements are made in accordance with paragraphs (b)(1) or (c) of this section.

(2) Unauthorized grant amount. The unauthorized grant actually expended will be determined. The unauthorized amount will be the unauthorized grant with accrued interest at the interest rate stipulated in the respective executed grant agreement for default cases until the date paid in accordance with §1951.708 (a) of this Subpart, or until the date other satisfactory financial arrangements are made in accordance with paragraphs (b)(2) or (c) of this section.

(b) Continuation on modified terms. When the recipient has the legal and financial capabilities, the case will be serviced according to one of the following, as appropriate. In each instance, the servicing official will advise the Finance Office by memorandum of the actions necessary to effect the account adjustment.

(1) Unauthorized loan. A loan for the unauthorized amount determined according to paragraph (a)(1) of this section will be established at the interest rate specified in the outstanding debt instrument or at the present market interest rate, whichever is greater, for the respective Community and Business program area. The loan will be amortized for a period not to exceed fifteen (15) years, the remaining term of the original loan, or the remaining useful life of the facility whichever is shorter.

(2) Unauthorized grant. The unauthorized grant amount determined according to paragraph (a)(2) of this section will be converted to a loan at the market interest rate for the respective Community and Business Programs area in effect on the date the financial assistance was provided, and will be amortized for a period not to exceed fifteen (15) years. The recipient will be required to execute a debt instrument to evidence this obligation, and the best security position practicable in a manner which will adequately protect the Rural Development's interests during the repayment period will be taken as security. When the recipient is to repay grant assistance, the servicing official must maintain records on the "account" as the Finance Office cannot set up an account for repayment of a grant. The servicing official will attempt to collect the monies due and all collections will be remitted with Form RD 451-2 to the Finance Office as "Miscellaneous Collections for Application to the General Fund." For cases identified in OIG audits only, the servicing official will report by the 1st of March, June, September, and December of each year the following information on cases of this type to the State Director: Recipient's name, fund code, audit report number, audit finding number, date of claim, amount of claim, amount collected during the reporting period, and the balance owed on the unauthorized grant assistance.

(3) Unauthorized subsidy benefits received. When the recipient was eligible for the loan but should have been charged a higher interest rate than that in the debt instrument, which resulted in the receipt of unauthorized subsidy benefits, the case will be handled as outlined in this paragraph. The recipient will be given the option to submit a written request that the interest rate be adjusted to the lower of the rate for which they were eligible that was in effect at the date of loan approval or loan closing. (See Exhibit C of this Subpart for interest rates (available in any Rural Development office)). Rural Development servicing officials will make a concerted effort to collect all unauthorized subsidy benefits from the recipient and will contact the Office of General Counsel in each case for advice in accomplishing corrective actions. (Revised 7-5-89, PN 112)

(c) Continuation on existing terms. When the recipient does not have the legal and/or financial capabilities for the options outlined in paragraphs (b)(1), (b)(2), or (b)(3) of this section, as appropriate, to be exercised, the recipient may be allowed to continue to meet the loan/grant obligations outlined in the existing loan/grant instruments.

RD Instruction 1951-0
§1951.711 (c) (Con.)

Unless the unauthorized assistance was identified in an OIG audit, no Finance Office notification or action is necessary. If identified by OIG, the servicing official will advise the Finance Office by memorandum of the determination to continue with the recipient on the existing terms of the loan/grant. (Revised 4-9-86, PN 6.)

(d) Reporting requirements to National Office. An annual report will be submitted by the State Office to the Assistant Administrator, Community and Business Programs, within 30 days following the end of the Government's fiscal year for each case of unauthorized assistance or subsidy benefits. The report will include for each case the account name, case number, fund code, OIG audit number (if applicable), amount collected during period, and the balance owed on the unauthorized assistance. Each State Office is responsible for coordinating with the servicing official's office so that this information can be accumulated and consolidated by the State Office within the allotted time. A negative report is required from States which have no unauthorized assistance cases.

§1951.712 - 1951.714 [Reserved]

§1951.715 Account adjustments and reporting requirement.

Cases of unauthorized assistance which require Finance Office notification and action, regardless of whether they were identified in an OIG audit or by other means, will be submitted to the Finance Office by memorandum from the servicing official, as provided in applicable paragraphs of §1951.711 of this Subpart. Each memorandum should include account (borrower) name, case number, audit report number (if applicable), finding number (if applicable), fund code, loan number, and an explanation of the actions to be taken. If the unauthorized assistance was identified in an OIG audit report, the memorandum should be clearly annotated "Audit Claim for OIG Report" as a part of the subject. The explanation should provide sufficient details to allow the Finance Office to properly adjust the account. The State Office will forward a consolidated report on unauthorized grant assistance identified in an OIG audit to the Finance Office by the 15th of March, June, September, and December of each year reflecting the information reported by servicing officials in accordance with §1951.711 (b) (2) of this Subpart for inclusion in the report to OIG.

(a) Entire loan unauthorized. When the entire loan is unauthorized because the recipient was not eligible or because the loan was approved for unauthorized purposes, the servicing official will advise the Finance Office, by memorandum, which of the following servicing actions will be taken.

(1) Repayment in full. If the recipient has arranged to repay the unauthorized loan in full through refinancing or other available resources, the payment will be remitted with Form RD 451-2, and the schedule number will be included in the memorandum.

- (2) Continuation with loan on existing or modified terms. When it is determined, according to §1951.711 (b)(1) or (c) of this Subpart, that continuation with the loan on the existing or modified terms will be provided, the servicing official will advise the Finance Office by memorandum of this determination including an explanation of the terms, if modified.
- (b) Portion of loan unauthorized. When only a portion of the loan has been determined to be for unauthorized purposes, the servicing official will advise the Finance Office, by memorandum, of the servicing actions as follows:
- (1) Repayment in full of unauthorized portion. If the recipient has arranged to repay the unauthorized portion of the loan through refinancing or other available resources, the remittance will be submitted with Form RD 451-2, and the schedule number will be included in the memorandum.
- (2) Continuation with unauthorized portion of loan on existing or modified terms. When it is determined, according to §1951.711 (b)(1) or (c) of this Subpart, that continuation with the unauthorized portion of the loan on the existing or modified terms will be provided, the servicing official will advise the Finance Office by memorandum of this determination, including an explanation of the terms if modified. The authorized portion will retain the original loan number with installments adjusted accordingly. Payments previously made will not be reversed and reapplied. The amortized unauthorized amount will be assigned the next available loan number. Installments for the authorized and unauthorized loans will be scheduled and paid concurrently.
- (c) Unauthorized subsidy benefits received. The unauthorized subsidy benefits received will be serviced according to §1951.711 (b)(3) or (c) of this Subpart.
- (d) Liquidation pending. When liquidation is initiated under the provisions of this Subpart, the servicing official will advise the Finance Office, by memorandum, that an unauthorized assistance account is to be established. This account will be flagged "FAP" (Foreclosure Action Pending) or "CAP" (Court Action Pending), as applicable.
- (e) Liquidation not initiated. Cases in which liquidation would normally be initiated, but where it is not because of the provisions of §1951.708 (e)(1) of this Subpart, will be serviced in accordance with §1951.708 (e)(1)(iii) of this Subpart. If the unauthorized assistance was identified through means other than an OIG audit report, the Finance Office will not be notified and no action is necessary.
- (f) Unauthorized grant assistance. A grant that is to be repaid will be serviced according to §1951.711 (b)(2) of this Subpart. If the unauthorized

assistance was identified through means other than an OIG audit report and a determination has been made not to recover, the Finance Office will not be notified and no action is necessary.

(g) Reporting. At prescribed intervals, the Finance Office will report to the OIG on the status of cases involving unauthorized assistance which were identified by OIG in audit reports. The amounts to be reported will be determined by the Finance Office after account servicing actions have been completed. For reporting purposes, the following applies:

(1) For an unauthorized loan account established as provided in paragraphs (a) or (b) of this section, reporting will be as follows:

(i) When unauthorized assistance is paid in full, this will be reported on the next scheduled report only.

(ii) When continuation with the loan on existing or modified terms is approved, this will be reported on the next scheduled report, and no further reporting is required.

(2) For unauthorized subsidy cases as provided in paragraph (c) of this section, once the interest rate has been appropriately adjusted, the unauthorized subsidy will be reported as resolved on the next scheduled report. No further reporting is required.

(3) When an account is established with liquidation action pending as provided in paragraph (d) of this section, the status will be included on each scheduled report until the liquidation is completed or the account is otherwise paid in full.

(4) When liquidation is not initiated as provided in paragraph (e) of this section, this will be reported on the next scheduled report. No further reporting is required.

(5) When unauthorized grant assistance is scheduled to be repaid as provided in paragraph (f) of this section, collections and status will be included in the report to OIG until the amount is paid in full.

§1951.716 Exception authority.

The Administrator may in individual cases make an exception to any requirement or provision of this Subpart which is not inconsistent with any applicable law or opinion of the Comptroller General, provided the Administrator determines that application of the requirement or provision would adversely affect the Government's interest. Requests for exceptions must be made in writing by the State Director and submitted through the Assistant Administrator, Community and Business Programs. Requests will be supported with documentation to explain the adverse effect on the Government's interest, propose alternative courses of action, and show how the adverse effect will be eliminated or minimized if the exception is granted.

§1951.717 - 1951.750 [Reserved]

Attachments: Exhibit A, B and C

Guide for Initial Letter to Recipients of Unauthorized Assistance

_____|
|For audit cases, show: _____|
|Re: Audit report number _____|
|_____ and Finding number _____|

(Recipient's Name and Address)

Dear _____,

Rural Development has determined that you have received unauthorized financial assistance in the form of a (loan, grant, subsidy) amounting to \$ _____, which must be repaid.

[Insert a paragraph briefly describing the circumstances under which the unauthorized assistance was extended, including the reason(s) as provided in §1951.707 (a) of this Subpart.]

We have scheduled an appointment at _____ (a.m.; p.m.) on _____ date for you to come into this office to discuss the basis for Rural Development's claim. You may provide facts, figures, written records, or other information you have which might alter Rural Development's determination that the assistance you have received was unauthorized. Necessary servicing actions will also be discussed.

If you are unable to keep this appointment, please telephone this office at (telephone number) to change the appointment. It is urgent that you respond to this request. Failure to do so within 30 days may result in Rural Development initiating appropriate action to effect collection.

Sincerely,

(To be signed by the Servicing Official)

oOo

Guide letter to recipient of unauthorized assistance to state final determination.

For audit cases, show: _____
Re: Audit report number _____
and Finding number _____

(Recipient's Name and Address)

Dear _____:

After careful consideration of all information available, Rural Development has determined that you have received unauthorized financial assistance as outlined below.

Insert a paragraph to:

- (a) Describe the unauthorized assistance;
- (b) State the amount of the unauthorized assistance which must be repaid (same as the amount stated in the Exhibit A letter unless subsequent information provided by the recipient caused this amount to be changed); and
- (c) State what further action is to be taken by Rural Development. (See §1951.708 (e) (1) or (e) (2) of this Subpart.)

(The following paragraph for individual recipients only):

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit recipients on the basis of race, color, religion, national origin, sex, marital status, handicap, or age (provided that the recipient has the capacity to enter into a binding contract), because all or part of the recipient's income derives from any public assistance program, or because the recipient has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

*See attachment for your appeal rights.

If you do not cooperate in effecting the necessary adjustments to your account, we will have no alternative but to initiate appropriate action to effect collection.

Sincerely,
(To be signed by servicing official)

*Attach Form RD 1900-1 "Request for Appeal of Adverse Action"

(3-16-90) SPECIAL PN

Effective Dates and Interest Rates
 Community and Business Programs

COMMUNITY PROGRAMS

Rate in effect on January 1, 1977, and through September 30, 1981,
 was 5.00 percent.

| <u>Effective Date</u> | <u>Poverty Line Rate (%)</u> | <u>Intermediate Rate (%)</u> | <u>Market Rate (%)</u> |
|-----------------------|----------------------------------|----------------------------------|----------------------------|
| October 1, 1981 | 5.0 | ----- | 12.250 |
| January 1, 1982 | 5.0 | ----- | 11.375 |
| April 1, 1982 | 5.0 | ----- | 12.375 |
| July 1, 1982 | 5.0 | ----- | 11.625 |
| July 9, 1982 | 5.0 | 8.375 | 11.625 |
| October 1, 1982 | 5.0 | 7.875 | 10.625 |
| January 1, 1983 | 5.0 | 7.375 | 9.750 |
| April 1, 1983 | 5.0 | 7.125 | 9.125 |
| October 1, 1983 | 5.0 | 7.250 | 9.500 |
| April 1, 1984 | 5.0 | 7.250 | 9.625 |
| July 1, 1984 | 5.0 | 7.750 | 10.500 |
| October 1, 1984 | 5.0 | 7.500 | 10.000 |
| April 1, 1985 | 5.0 | 7.250 | 9.500 |
| July 1, 1985 | 5.0 | 6.750 | 8.625 |
| October 1, 1985 | 5.0 | 7.000 | 9.000 |
| January 1, 1986 | 5.0 | 6.625 | 8.375 |
| April 1, 1986 | 5.0 | 6.125 | 7.125 |
| July 1, 1986 | 5.0 | 6.375 | 7.625 |
| October 1, 1986 | 5.0 | 6.000 | 6.875 |
| January 1, 1987 | 5.0 | 5.875 | 6.625 |
| April 1, 1987 | 5.0 | 5.750 | 6.500 |
| July 1, 1987 | 5.0 | 6.500 | 7.875 |
| January 1, 1988 | 5.0 | 6.375 | 7.750 |
| April 1, 1988 | 5.0 | 6.125 | 7.375 |
| July 1, 1988 | 5.0 | 6.375 | 7.750 |
| January 1, 1989 | 5.0 | 6.250 | 7.500 |
| April 1, 1989 | 5.0 | 6.250 | 7.375 |
| July 1, 1989 | 5.0 | 6.000 | 7.125 |
| October 1, 1989 | 5.0 | 6.000 | 7.000 |
| April 1, 1990 | 5.0 | 6.000 | 7.125 |
| October 1, 1990 | 5.0 | 6.125 | 7.250 |
| January 1, 1991 | 5.0 | 6.000 | 7.000 |
| April 1, 1991 | 5.0 | 5.875 | 6.750 |
| July 1, 1991 | 5.0 | 5.875 | 6.875 |
| October 1, 1991 | 5.0 | 5.875 | 6.750 |

Effective Dates and Interest Rates
 Community and Business Programs

COMMUNITY PROGRAMS (CON.)

| <u>Effective Date</u> | <u>Poverty Line Rate (%)</u> | <u>Intermediate Rate (%)</u> | <u>Market Rate (%)</u> |
|-----------------------|----------------------------------|----------------------------------|----------------------------|
| January 1, 1992 | 5.0 | 5.750 | 6.625 |
| July 1, 1992 | 5.0 | 5.625 | 6.375 |
| October 1, 1992 | 5.0 | 5.500 | 6.125 |
| January 1, 1993 | 5.0 | 5.625 | 6.250 |
| April 1, 1993 | 5.0 | 5.250 | 5.625 |
| October 1, 1993 | 5.0 | 5.125 | 5.250 |
| January 1, 1994 | 5.0 | 5.125 | 5.375 |
| April 1, 1994 | 4.5 | 5.000 | 5.500 |
| July 1, 1994 | 4.5 | 5.250 | 6.125 |
| January 1, 1995 | 4.5 | 5.625 | 6.875 |
| April 1, 1995 | 4.5 | 5.250 | 6.000 |
| July 1, 1995 | 4.5 | 5.125 | 5.750 |
| October 1, 1995 | 4.5 | 5.250 | 6.000 |
| January 1, 1996 | 4.5 | 5.000 | 5.500 |
| April 1, 1996 | 4.5 | 4.875 | 5.375 |
| July 1, 1996 | 4.5 | 5.125 | 5.875 |
| October 1, 1996 | 4.5 | 5.125 | 5.750 |
| January 1, 1997 | 4.5 | 5.000 | 5.500 |
| October 1, 1997 | 4.5 | 4.875 | 5.375 |
| January 1, 1998 | 4.5 | 4.875 | 5.250 |
| April 1, 1998 | 4.5 | 4.750 | 5.125 |
| October 1, 1998 | 4.5 | 4.750 | 5.000 |
| July 1, 1999 | 4.5 | 4.750 | 5.125 |
| October 1, 1999 | 4.5 | 5.000 | 5.500 |
| January 1, 2000 | 4.5 | 5.125 | 5.750 |
| April 1, 2000 | 4.5 | 5.125 | 5.875 |
| October 1, 2000 | 4.5 | 5.000 | 5.500 |
| April 1, 2001 | 4.5 | 4.750 | 5.125 |
| July 1, 2001 | 4.5 | 4.875 | 5.250 |
| October 1, 2001 | 4.5 | 4.750 | 5.000 |
| January 1, 2002 | 4.5 | 4.750 | 5.125 |
| April 1, 2002 | 4.5 | 4.750 | 5.000 |
| July 1, 2002 | 4.5 | 4.750 | 5.125 |
| October 1, 2002 | 4.5 | 4.625 | 4.875 |
| April 1, 2003 | 4.5 | 4.625 | 4.750 |
| July 1, 2003 | 4.5 | 4.375 | 4.250 |
| October 1, 2003 | 4.5 | 4.750 | 5.000 |
| January 1, 2004 | 4.5 | 4.500 | 4.625 |
| April 1, 2004 | 4.5 | 4.375 | 4.375 |

Effective Dates and Interest Rates
Community and Business Programs

COMMUNITY PROGRAMS (CON.)

| <u>Effective Date</u> | <u>Poverty Line Rate (%)</u> | <u>Intermediate Rate (%)</u> | <u>Market Rate (%)</u> |
|-----------------------|----------------------------------|----------------------------------|----------------------------|
| April 1, 2004 | 4.5 | 4.375 | 4.375 |
| July 1, 2004 | 4.5 | 4.750 | 5.000 |
| October 1, 2004 | 4.5 | 4.500 | 4.625 |

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BUSINESS & INDUSTRY INSURED PROGRAM

| <u>Effective Date</u> | <u>Insured Rate (%)</u> | <u>Insured Rate (%) Used To Finance Community Facilities</u> |
|-----------------------|-------------------------|--|
| November 1, 1979 | 10.750 | 5.0 |
| December 15, 1979 | 11.625 | 5.0 |
| January 8, 1980 | 12.500 | 5.0 |
| April 7, 1980 | 13.500 | 5.0 |
| April 12, 1980 | 14.500 | 5.0 |
| June 28, 1980 | 12.875 | 5.0 |
| August 14, 1980 | 11.500 | 5.0 |
| December 11, 1980 | 14.000 | 5.0 |
| October 1, 1981 | 14.000 | 12.250 |
| January 1, 1982 | 14.000 | 11.375 |
| April 1, 1982 | 14.000 | 12.375 |
| July 1, 1982 | 14.000 | 11.625 |
| October 1, 1982 | 14.000 | 10.625 |
| January 1, 1983 | 14.000 | 9.750 |
| April 1, 1983 | 14.000 | 9.125 |
| December 1, 1983 | 14.000 | 9.500 |

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