

RD AN No. 4619 (4279-B, 4280-B and 4287-B)  
January 20, 2012

TO: State Directors, Rural Development  
ATTN: Business Programs Directors  
SUBJECT: Business and Industry Guaranteed and Direct Loan and  
Section 9007 Rural Energy for America Programs  
Program Information

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance on the composition of a State Loan Committee and to provide guidance on lender and agency conferences and borrower visits.

COMPARISON WITH PREVIOUS AN:

There is no previous AN issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

**BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM ONLY:**

State Executive Loan Committee

RD Instruction 4279-B, section 4279.165(c), sets forth guidance on the establishment of a State Executive Loan Committee. The State Director will establish a State Executive Loan Committee to review all Business and Industry (B&I) and Section 9007 Rural Energy for America Programs (REAP) loan applications, changes in conditions, and loan servicing actions of a monetary-type nature. The make-up of such a committee is at the discretion of the State Director; however, only United States Department of Agriculture Rural Development employees will be members of a State Executive Loan Committee. This committee is advisory in nature as the State Director is solely responsible for all decisions. The State Executive Loan Committee should be made up of more than one member and should consist of a quorum of individuals.

EXPIRATION DATE:  
January 31, 2013

FILING INSTRUCTIONS  
Preceding RD Instructions 4279-B, 4280-B,  
and 4287-B

**B&I GUARANTEED LOAN AND RURAL ENERGY FOR AMERICA PROGRAMS:**

Agency and Lender Conference

RD Instruction 4287-B, section 4287.107 (c), provides guidance on conducting an agency and lender conference. At the Agency's request, the lender will meet with the Agency to ascertain how the guaranteed loan is being serviced and that the conditions and covenants of the loan agreement are being enforced.

The Agency will hold meetings with the lender at least annually and it should be properly documented by completing part 1 of Form RD 4279-15, "Business and Industry Field Office Review." An annual agency and lender conference may be a face-to-face visit or a telephone or teleconference.

Borrower Visits

As a reminder, it is strongly encouraged that the lender accompanies the Agency on all borrower visits. Borrower visits should be scheduled during the first year of operation after issuance of the Loan Note Guarantee. For all current borrowers, a field visit should be done at least once every 3 years, and as frequently as the Agency deems necessary for problem and delinquent accounts. RD Instruction 4287-B, section 4287.107 (f), Administrative, provides guidance. All borrower visits should be documented on part 2 of the Form RD 4279-15, "Business and Industry Field Office Review."

You should update the Guaranteed Loan System to document the annual lender conference, borrower visit, or other changes, as appropriate.

We appreciate your efforts in servicing B&I and REAP loans. If you have any questions concerning B&I servicing, please contact B&I Servicing at (202) 690-4103, and for REAP servicing at (202) 720-1400.

*(Signed by JUDITH A. CANALES)*

JUDITH A. CANALES  
Administrator  
Business and Cooperative Programs