

117TH CONGRESS
1ST SESSION

H. R. 498

To authorize the Secretary of Agriculture to subsidize payments on loans made under certain rural development loan programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2021

Mrs. AXNE (for herself, Mr. GOLDEN, Mr. BALDERSON, and Ms. BLUNT ROCHESTER) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Secretary of Agriculture to subsidize payments on loans made under certain rural development loan programs, 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 “Rural Equal Aid Act”.

5 **SEC. 2. SUBSIDY FOR CERTAIN RURAL DEVELOPMENT**
6 **LOAN PAYMENTS.**

7 (a) **DEFINITION OF COVERED LOAN.**—In this sec-
8 tion, the term “covered loan” means a loan that is—

(1) made by an intermediary lender to an ultimate recipient using a loan received under section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99–198) or section 310H of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936b; Public Law 113–79);

(2) made by a microenterprise development organization to a microentrepreneur under section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s);

(3) a community facility loan made or guaranteed under section 306(a)(1) of the Consolidated Farm and Rural Development Act; or

(4) guaranteed under section 310B(g) of the Consolidated Farm and Rural Development Act.

(b) PRINCIPAL AND INTEREST PAYMENTS.—

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall, subject to paragraph (2), pay the principal, interest, and any associated fees that are owed on a covered loan in a regular servicing status—

(A) with respect to a covered loan made before the date of enactment of this Act and not on deferment, for the 9-month period begin-

1 ning with the next payment due on the covered
2 loan;

3 (B) with respect to a covered loan made
4 before the date of enactment of this Act and on
5 deferment, for the 9-month period beginning
6 with the next payment due on the covered loan
7 after the deferment period; and

8 (C) with respect to a covered loan made
9 during the period beginning on the date of en-
10 actment of this Act and ending on the date that
11 is 6 months after that date of enactment, for
12 the 9-month period beginning with the first
13 payment due on the covered loan.

14 (2) LIMITATION ON PAYMENT.—A single
15 monthly payment of principal, interest, and associ-
16 ated fees made under paragraph (1) with respect to
17 a covered loan in the last 3 months of the 9-month
18 period described in paragraph (1) shall not exceed
19 \$9,000.

20 (3) TIMING OF PAYMENT.—The Secretary shall
21 begin making payments under paragraph (1) on a
22 covered loan not later than 30 days after the date
23 on which the first payment described in that para-
24 graph is due.

1 (4) APPLICATION OF PAYMENT.—Any payment
2 made by the Secretary under paragraph (1) shall be
3 applied to the covered loan such that the borrower
4 is relieved of the obligation to pay that amount.

5 (c) OTHER REQUIREMENTS.—The Secretary shall—

6 (1) communicate and coordinate with the Fed-
7 eral Deposit Insurance Corporation, the Office of the
8 Comptroller of the Currency, and State bank regu-
9 lators to encourage those entities to not require
10 lenders to increase their reserves on account of re-
11 ceiving payments made by the Secretary under sub-
12 section (b);

13 (2) waive statutory limits on maximum loan
14 maturities for any covered loan durations where the
15 lender provides a deferral and extends the maturity
16 of covered loans during the 1-year period following
17 the date of enactment of this Act; and

18 (3) when necessary to provide more time be-
19 cause of the potential of higher volumes, travel re-
20 strictions, and the inability to access some properties
21 during the COVID–19 pandemic, extend lender site
22 visit requirements to—

23 (A) not more than 60 days (which may be
24 extended at the discretion of the Secretary)
25 after the occurrence of an adverse event, other

1 than a payment default, causing a loan to be
2 classified as in liquidation; and

3 (B) not more than 90 days after a pay-
4 ment default.

5 (d) EFFECT.—Nothing in this section limits the au-
6 thority of the Secretary to make payments pursuant to
7 subsection (b) with respect to a covered loan solely because
8 the covered loan has been sold in the secondary market.

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