



## Reinforcing Utility Restoration After Losses (RURAL) Act

### Summary

- Allows USDA to establish a line of credit for rural utilities experiencing qualified losses during an emergency, in the amount of:
  - 25% of the total revenue received by the borrower during the 12-month period; or
  - \$5,000,000
- USDA may make a loan from that line of credit to the borrower in an amount equal to the lesser of:
  - The qualified loss; or
  - The unused amount of the line of credit
- A “qualified loss” is eligible for a loan made from the line of credit if the loss is incurred not more than 180 days after the date of determination
- No payments on the loan will be required during the emergency
- Once the emergency ends, the loan will be consolidated 60 days after the eligibility period, under these terms:
  - 2-year grace period before payments must begin, with no interest accruing
  - Interest will accrue at a rate of 1% per year during the 3-year period following the grace period
  - The loan must be repaid in full at the end of the 5-year period beginning on the date loan consolidation occurs
- Borrowers may declare qualified write-offs for payment(s) they believe they will not recover and receive partial loan forgiveness, in an amount equal to:
  - 90% of the first \$500,000 of the total amount of the qualified write-offs;
  - 60% of the next \$1,000,000 of the total amount of the qualified write-offs; and
  - 30% of the next \$1,000,000 of the total amount of the qualified write-offs

**AMENDMENT TO THE COMMITTEE PRINT**  
**OFFERED BY MR. CRAWFORD OF ARKANSAS**

Page 41, after line 4, insert the following:

1 **SEC. \_\_\_\_\_. RURAL UTILITY BRIDGE LOANS.**

2 (a) IN GENERAL.—Title VII of the Rural Electrifica-  
3 tion Act of 1936 (7 U.S.C. 950cc–950cc–2) is amended  
4 by adding at the end the following:

5 **“SEC. 704. RURAL UTILITY BRIDGE LOANS.**

6 “(a) LINE OF CREDIT.—

7 “(1) IN GENERAL.—The Secretary may provide  
8 an eligible borrower with a line of credit from which  
9 a loan may be made to replace qualified losses as a  
10 result of a covered emergency.

11 “(2) AMOUNT.—The amount of the line of cred-  
12 it shall be the lesser of—

13 “(A) 25 percent of the total revenue re-  
14 ceived by the borrower during the 12-month pe-  
15 riod ending with the day before the date of the  
16 determination referred to in subsection (c)(3)  
17 with respect to the covered emergency; or

18 “(B) \$5,000,000.

19 “(b) LOANS.—

1           “(1) IN GENERAL.—On receipt by the Secretary  
2 of documentation that the eligible borrower has a  
3 qualified loss as a result of a covered emergency, the  
4 Secretary shall make a loan to the borrower from  
5 the line of credit in an amount equal to the lesser  
6 of—

7                   “(A) the qualified loss; or

8                   “(B) the unused amount of the line of  
9 credit.

10           “(2) ELIGIBILITY OF QUALIFIED LOSS.—

11                   “(A) IN GENERAL.—Except as provided in  
12 subparagraph (B) of this paragraph, a qualified  
13 loss is eligible for a loan made from the line of  
14 credit if the loss is incurred not more than 180  
15 days after the date of the determination re-  
16 ferred to in subsection (c)(3) with respect to  
17 the covered emergency.

18                   “(B) AUTHORITY TO ADJUST.—The Sec-  
19 retary may—

20                           “(i) on request of the eligible bor-  
21 rower, reduce the length of eligibility pe-  
22 riod described in subparagraph (A); or

23                           “(ii) on a determination that the bor-  
24 rower is continuing to incur significant  
25 qualified losses as a result of a covered



1 emergency, increase the length of the pe-  
2 riod.

3 “(3) LOAN TERMS.—

4 “(A) NO PAYMENT REQUIRED DURING  
5 EMERGENCY.—During the covered emergency,  
6 interest on the loan shall not accrue, and repay-  
7 ment of principal on the loan shall not be re-  
8 quired.

9 “(B) LOAN CONSOLIDATION AFTER EMER-  
10 GENCY ENDS.—Unless the Secretary determines  
11 that the borrower requires additional time to  
12 submit documentation of qualified losses, on the  
13 date that is 60 days after the eligibility period  
14 described in paragraph (2) ends, the Secretary  
15 shall close the line of credit, and consolidate all  
16 loans made to the borrower under this section  
17 with respect to the emergency into a single loan  
18 with the following terms:

19 “(i) GRACE PERIOD.—During the 2-  
20 year period that begins with the date the  
21 consolidated loan is made, interest on the  
22 consolidated loan shall not accrue, and re-  
23 payment of principal on the consolidated  
24 loan shall not be required.

1           “(ii) INTEREST.—Interest on the con-  
2           solidated loan shall accrue at a rate of 1  
3           percent per year during the 3-year period  
4           that begins at the end of that 2-year pe-  
5           riod.

6           “(iii) REPAYMENT PERIOD.—The loan  
7           shall be repayable in full by the end of the  
8           5-year period that begins with the date the  
9           consolidated loan is made.

10          “(C) NO FEE OR PREPAYMENT PEN-  
11          ALTY.—The Secretary may not impose a fee or  
12          prepayment penalty with respect to any loan  
13          made under this section.

14          “(4) FORGIVENESS.—

15               “(A) IN GENERAL.—Except as provided in  
16               subparagraph (B), if the borrower makes 1 or  
17               more qualified write-offs after the 1-year period  
18               that begins with the date a consolidated loan is  
19               made to the borrower under this section, the  
20               Secretary shall forgive repayment of a portion  
21               of the loan, in an amount equal to—

22                       “(i) 90 percent of the first \$500,000  
23                       of the total amount of the qualified write-  
24                       offs;

1                   “(ii) 60 percent of the next  
2                   \$1,000,000 of the total amount of the  
3                   qualified write-offs; and

4                   “(iii) 30 percent of the next  
5                   \$1,000,000 of the total amount of the  
6                   qualified write-offs.

7                   “(B) INELIGIBILITY OF BORROWER WHO  
8                   INTERRUPTS SERVICE DURING EMERGENCY.—  
9                   Subparagraph (A) shall not apply with respect  
10                  to the borrower if, during the covered emer-  
11                  gency, the borrower suspends or interrupts util-  
12                  ity service to any customer or subscriber of the  
13                  borrower for non-payment of an amount owed  
14                  to the borrower.

15                  “(c) DEFINITIONS.—In this section:

16                  “(1) ELIGIBLE BORROWER.—The term ‘eligible  
17                  borrower’ means an entity that—

18                         “(A) provides electric, telecommunications,  
19                         clean water, waste water, or waste disposal  
20                         services; and

21                         “(B) is eligible for assistance under—

22                                 “(i) section 4, 201, or 601 of the  
23                                 Rural Electrification Act of 1936; or

24                                 “(ii) section 306(a) of the Consoli-  
25                                 dated Farm and Rural Development Act.

1 “(2) QUALIFIED LOSS.—

2 “(A) IN GENERAL.—Subject to subpara-  
3 graph (B), the term ‘qualified loss’ means, with  
4 respect to a borrower and a covered emer-  
5 gency—

6 “(i) an amount owed to the borrower  
7 for services provided during the emergency,  
8 which are more than 15 days past due; and

9 “(ii) an amount not received by the  
10 borrower because of reduced demand for  
11 services sold by the borrower on a per-unit  
12 basis, to the extent that the reduction is  
13 attributable to the emergency.

14 “(B) REDUCTION.—The total amount de-  
15 termined under subparagraph (A) shall be re-  
16 duced by the fair market value of any assist-  
17 ance received by the borrower from any source  
18 while the line of credit is open, for the purpose  
19 of offsetting the loss of routine operating rev-  
20 enue or covering the cost of routine operating  
21 expenses, during the covered emergency, exclud-  
22 ing any assistance provided to repair, recover,  
23 or rebuild from damage due to the emergency.

24 “(3) COVERED EMERGENCY.—The term ‘cov-  
25 ered emergency’ means—



1           “(A) a major disaster or emergency, as de-  
2           termined by the President under the Robert T.  
3           Stafford Disaster Relief and Emergency Assist-  
4           ance Act;

5           “(B) a natural disaster, as determined by  
6           the Secretary of Agriculture; or

7           “(C) an emergency involving Federal pri-  
8           mary responsibility determined to exist by the  
9           President under the section 501(b) of such Act.

10          “(4) QUALIFIED WRITE-OFF.—The term ‘quali-  
11       fied write-off’ means, with respect to a borrower—

12               “(A) an amount described in paragraph  
13               (2)(A)(i), if the borrower assigns to the Sec-  
14               retary the right to any payment of the amount;  
15               and

16               “(B) 90 percent of an amount described in  
17               paragraph (2)(A)(ii).

18          “(d) REGULATIONS.—The Secretary may, on an ex-  
19       peditated basis, prescribe such regulations as are necessary  
20       to carry out the preceding provisions of this section.

21          “(e) RURAL UTILITY BRIDGE LOAN FUND.—

22               “(1) ESTABLISHMENT.—There is established in  
23       the Treasury of the United States a revolving fund  
24       to be known as the ‘Rural Utility Bridge Loan  
25       Fund’ (in this subsection referred to as the ‘Fund’).



1           “(2) DEPOSITS AND CREDITS.—There shall be  
2 deposited in, or credited to, the Fund the following:

3           “(A) All amounts appropriated to the  
4 Fund.

5           “(B) All amounts paid as principal or in-  
6 terest on a loan made under this section.

7           “(C) All interest on, and proceeds from the  
8 sale or redemption of, any obligations invested  
9 in under paragraph (4).

10          “(3) USE OF FUNDS.—

11           “(A) IN GENERAL.—The amounts in the  
12 Fund shall be available for the cost of making  
13 loans under this section without further appro-  
14 priation.

15           “(B) ADMINISTRATIVE EXPENSES.—With  
16 respect to each covered emergency, the Sec-  
17 retary may use amounts in the Fund for admin-  
18 istrative expenses, as follows:

19           “(i) ESTABLISHMENT OF LINES OF  
20 CREDIT.—For expenses incurred in estab-  
21 lishing lines of credit under this section, an  
22 amount equal to 1 percent of the Fund  
23 balance as of the date of the determination  
24 referred to in subsection (c)(3) with re-  
25 spect to the covered emergency.

1                   “(ii) MAKING AND SERVICING OF  
2                   LOANS.—During each fiscal year, for ex-  
3                   penses incurred in making and servicing  
4                   loans (including consolidated loans) under  
5                   this section, an amount equal to 3 percent  
6                   of the average total amount of loans out-  
7                   standing under this section during the fis-  
8                   cal year with respect to the covered emer-  
9                   gency.

10                   “(iii) LIMITATION.—In addition, the  
11                   Secretary may not use more than  
12                   \$30,000,000 during each fiscal year for  
13                   any administrative expense incurred in car-  
14                   rying out this section.

15                   “(4) INVESTMENTS.—

16                   “(A) IN GENERAL.—The Secretary may re-  
17                   quest the Secretary of the Treasury to invest  
18                   the portion of the Fund that is not, in the judg-  
19                   ment of the Secretary of Agriculture, required  
20                   to meet the current needs of the Fund.

21                   “(B) ELIGIBLE INVESTMENTS.—On re-  
22                   ceipt of such a request, the Secretary of the  
23                   Treasury shall invest the amount involved in  
24                   obligations of the United States or obligations  
25                   that are guaranteed as to principal and interest

1 by the United States, with maturities suitable  
2 to the needs of the Fund as determined by the  
3 Secretary of Agriculture.”.

4 (b) APPROPRIATION.—Out of any amounts in the  
5 Treasury of the United States not otherwise appropriated,  
6 there are appropriated to the Rural Utility Bridge Loan  
7 Fund \$5,000,000,000, to remain available until Sep-  
8 tember 30, 2031. For purposes of section 704(e)(3)(B)(i)  
9 of the Rural Electrification Act of 1936, with respect to  
10 a covered emergency declared in response to the COVID-  
11 19 pandemic, the Fund balance is deemed to be the  
12 amount specified in the preceding sentence.

