

117TH CONGRESS  
1ST SESSION

# H. R. 1291

To provide for loans to critical rural utility service providers to ensure continued service and safe operation of rural utility systems during certain emergencies, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 2021

Mr. CRAWFORD (for himself and Mr. COLE) introduced the following bill;  
which was referred to the Committee on Agriculture

---

## A BILL

To provide for loans to critical rural utility service providers to ensure continued service and safe operation of rural utility systems during certain emergencies, 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 “Reinforcing Utility  
5 Restoration After Losses (RURAL) Act”.

1 **SEC. 2. 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.—

20 “(1) IN GENERAL.—On receipt by the Secretary  
21 of documentation that the eligible borrower has a  
22 qualified loss as a result of a covered emergency, the  
23 Secretary shall make a loan to the borrower from  
24 the line of credit in an amount equal to the lesser  
25 of—

26 “(A) the qualified loss; or

1           “(B) the unused amount of the line of  
2 credit.

3           “(2) ELIGIBILITY OF QUALIFIED LOSS.—

4           “(A) IN GENERAL.—Except as provided in  
5 subparagraph (B) of this paragraph, a qualified  
6 loss is eligible for a loan made from the line of  
7 credit if the loss is incurred not more than 180  
8 days after the date of the determination re-  
9 ferred to in subsection (c)(3) with respect to  
10 the covered emergency.

11           “(B) AUTHORITY TO ADJUST.—The Sec-  
12 retary may—

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

16           “(ii) on a determination that the bor-  
17 rower is continuing to incur significant  
18 qualified losses as a result of a covered  
19 emergency, increase the length of the pe-  
20 riod.

21           “(3) LOAN TERMS.—

22           “(A) NO PAYMENT REQUIRED DURING  
23 EMERGENCY.—During the covered emergency,  
24 interest on the loan shall not accrue, and repay-

1           ment of principal on the loan shall not be re-  
2           quired.

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

13                 “(i) GRACE PERIOD.—During the 2-  
14                 year period that begins with the date the  
15                 consolidated loan is made, interest on the  
16                 consolidated loan shall not accrue, and re-  
17                 payment of principal on the consolidated  
18                 loan shall not be required.

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

24                 “(iii) REPAYMENT PERIOD.—The loan  
25                 shall be repayable in full by the end of the

1           5-year period that begins with the date the  
2           consolidated loan is made.

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

7           “(4) FORGIVENESS.—

8           “(A) IN GENERAL.—Except as provided in  
9           subparagraph (B), if the borrower makes 1 or  
10          more qualified write-offs after the 1-year period  
11          that begins with the date a consolidated loan is  
12          made to the borrower under this section, the  
13          Secretary shall forgive repayment of a portion  
14          of the loan, in an amount equal to—

15                 “(i) 90 percent of the first \$500,000  
16                 of the total amount of the qualified write-  
17                 offs;

18                 “(ii) 60 percent of the next  
19                 \$1,000,000 of the total amount of the  
20                 qualified write-offs; and

21                 “(iii) 30 percent of the next  
22                 \$1,000,000 of the total amount of the  
23                 qualified write-offs.

24           “(B) INELIGIBILITY OF BORROWER WHO  
25           INTERRUPTS SERVICE DURING EMERGENCY.—

1 Subparagraph (A) shall not apply with respect  
2 to the borrower if, during the covered emer-  
3 gency, the borrower suspends or interrupts util-  
4 ity service to any customer or subscriber of the  
5 borrower for non-payment of an amount owed  
6 to the borrower.

7 “(c) DEFINITIONS.—In this section:

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

10 “(A) provides electric, telecommunications,  
11 clean water, waste water, or waste disposal  
12 services; and

13 “(B) is eligible for assistance under—

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

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

18 “(2) QUALIFIED LOSS.—

19 “(A) IN GENERAL.—Subject to subpara-  
20 graph (B), the term ‘qualified loss’ means, with  
21 respect to a borrower and a covered emer-  
22 gency—

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

1           “(ii) an amount not received by the  
2           borrower because of reduced demand for  
3           services sold by the borrower on a per-unit  
4           basis, to the extent that the reduction is  
5           attributable to the emergency.

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

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

18                 “(A) a major disaster or emergency, as de-  
19                 termined by the President under the Robert T.  
20                 Stafford Disaster Relief and Emergency Assist-  
21                 ance Act;

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

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

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

6                   “(A) an amount described in paragraph  
7                   (2)(A)(i), if the borrower assigns to the Sec-  
8                   retary the right to any payment of the amount;  
9                   and

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

12           “(d) REGULATIONS.—The Secretary may, on an ex-  
13           pedited basis, prescribe such regulations as are necessary  
14           to carry out the preceding provisions of this section.

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

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

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

22                           “(A) All amounts appropriated to the  
23                           Fund.

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



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

4           “(3) USE OF FUNDS.—

5           “(A) IN GENERAL.—The amounts in the  
6           Fund shall be available for the cost of making  
7           loans under this section without further appro-  
8           priation.

9           “(B) ADMINISTRATIVE EXPENSES.—With  
10          respect to each covered emergency, the Sec-  
11          retary may use amounts in the Fund for admin-  
12          istrative expenses, as follows:

13               “(i) ESTABLISHMENT OF LINES OF  
14               CREDIT.—For expenses incurred in estab-  
15               lishing lines of credit under this section, an  
16               amount equal to 1 percent of the Fund  
17               balance as of the date of the determination  
18               referred to in subsection (c)(3) with re-  
19               spect to the covered emergency.

20               “(ii) MAKING AND SERVICING OF  
21               LOANS.—During each fiscal year, for ex-  
22               penses incurred in making and servicing  
23               loans (including consolidated loans) under  
24               this section, an amount equal to 3 percent  
25               of the average total amount of loans out-

1 standing under this section during the fis-  
2 cal year with respect to the covered emer-  
3 gency.

4 “(iii) LIMITATION.—In addition, the  
5 Secretary may not use more than  
6 \$30,000,000 during each fiscal year for  
7 any administrative expense incurred in car-  
8 rying out this section.

9 “(4) INVESTMENTS.—

10 “(A) IN GENERAL.—The Secretary may re-  
11 quest the Secretary of the Treasury to invest  
12 the portion of the Fund that is not, in the judg-  
13 ment of the Secretary of Agriculture, required  
14 to meet the current needs of the Fund.

15 “(B) ELIGIBLE INVESTMENTS.—On re-  
16 ceipt of such a request, the Secretary of the  
17 Treasury shall invest the amount involved in  
18 obligations of the United States or obligations  
19 that are guaranteed as to principal and interest  
20 by the United States, with maturities suitable  
21 to the needs of the Fund as determined by the  
22 Secretary of Agriculture.”.

23 (b) APPROPRIATION.—Out of any amounts in the  
24 Treasury of the United States not otherwise appropriated,  
25 there are appropriated to the Rural Utility Bridge Loan

1 Fund \$5,000,000,000, without fiscal year limitation. For  
2 purposes of section 704(e)(3)(B)(i) of the Rural Elec-  
3 trification Act of 1936, with respect to a covered emer-  
4 gency declared in response to the COVID–19 pandemic,  
5 the Fund balance is deemed to be the amount specified  
6 in the preceding sentence.

○