

OMB # 0575-0066

## **Reporting Requirements - Non-Forms Approved**

### **Balance Sheet**

Balance sheets are routinely prepared as part of normal financial recordkeeping procedures. This information is required so the servicing official can review the borrower's current financial position to determine whether or not they are eligible for the servicing request.

### **New Debt Instrument**

A new debt instrument may be used when a reamortization is being processed. The new debt instrument can be structured to include the entire outstanding Agency indebtedness including the delinquency or it may be for only the delinquent amount plus interest.

### **Rescheduling Agreement**

A rescheduling agreement may be used for a public body when a delinquent or problem loan cannot be reamortized by issuing a new debt instrument due to State statutes, or when the cost of preparation and closing is prohibitive.

### **Legal Opinions**

When debts are reamortized, we require an opinion of a local attorney or a bond counsel as to the effect that modifications to debt instruments would have on the Agency's security instruments. In order to protect the Agency's lien position, it is necessary to record any amendments in the public record and to obtain a legal opinion that no intervening liens would adversely affect the Agency's security position.

### **Credit Report**

A credit report from an independent source is required to supplement financial information on transferees and on debt settlement actions.

### **Borrower's Request to Change Interest Rate**

Pub. L. 99-88 requires that on or after November 12, 1983, borrowers be provided the option of choosing the lower of the interest rates in effect at the time of loan approval or loan closing. Since existing borrowers were provided with the option previously and it is provided to new borrowers with loans closed after October 25, 1985, under 7 CFR part 1942, any future cases handled under 7 CFR 1951-E would be those not previously provided the option due to oversight. At this time, we believe that all existing borrowers were properly notified; therefore, we do not estimate any responses for this item.

### **Financial Statements**

We are requiring copies of monthly financial statements prepared by problem borrowers who execute workout agreements for Community Facilities and Water and Waste program loans. The financial information is needed to monitor financial progress in order that the Agency may provide additional supervision and assist problem borrowers with making necessary changes to alleviate financial problems.