



Community Facilities Loan and Grant Program RUS/CA Reference Guide No. 2

PURPOSE

The purpose of this California Reference Guide is to promote consistency and simplicity in the application process for a Fire and Rescue loans. This Guide is to be used in the processing of all Fire and Rescue loans prior to submitting the application to the State Office. This Guide is not intended to replace the regulation but rather provide guidance in carrying out the requirements in FmHA Instruction 1942-C.

ACTIONS COVERED

This Guide is to be used for loan applications that are for the sole purpose of purchasing fire, rescue, and public safety vehicles and major equipment up to \$250,000. It allows an applicant to bypass the preapplication process. Other larger, more complicated projects, such as building a fire station, should be processed using California RUS/CF Guide No. 1.

The attached Exhibit A should be given to entities interested in filing an application for a Fire and Rescue loan. Upon receipt of an application, the processing office will determine if the application is complete. Within 10 calendar days, the applicant will be notified of any missing information.

Except for Indian Tribes, all Fire and Rescue loans are subject to review under Executive Order 12372. In order to simplify the application process for a Fire and Rescue loan, the processing office is to make the contacts with the State and Local Clearinghouses. A list of Clearinghouses is available in Exhibit A of California RUS/CF Guide 1.

In an effort to simplify the application review process, Exhibit B has been developed for Agency employees to utilize. The checklist will be used to insure that the proper steps were completed in the application process. The appropriate environmental review must be completed for each project prior to submitting the project for approval.

The original application file is to be submitted to the State Office for review along with the items in Exhibit B of this Guide. Following the necessary reviews, the docket will be returned with instructions on how to proceed with the application.

OGC has provided general closing instructions for Fire and Rescue loans that may be found in Exhibit C. These instructions are to be used only on loans secured by the title on the vehicle we are financing.

California RUS/CF Guide No. 6, 7, and 8 will be used for issuing/meeting the Letter of Conditions, handling of the loan approval documents, and closing of Fire and Rescue loans.

EXHIBITS

- Exhibit A Contents of a Fire and Rescue Loan Application
- Exhibit B Fire and Rescue Loan Application Processing Checklist
- Exhibit C General Closing Instructions for Fire and Rescue Loans



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Exhibit A

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CONTENTS OF A FIRE AND RESCUE LOAN APPLICATION

Applicants for a Fire and Rescue loan should provide the following information to USDA Rural Development: Forms are available at:

<http://www.usda.gov/rus/water/wwforms.htm>

1. Standard Form (SF) 424-2, Application for Federal Assistance. The Federal Catalog Number is 10.766, which needs to be inserted in block 10 of this form.
2. Execute Page 2 of this Exhibit, Fire and Rescue Certification.
3. A copy of your most recent audit or financial statement.
4. Copy of organizations legal existence (Charter, Certificate of Legal Existence, etc.)
5. Form RD 1942-54, Applicant's Feasibility Report.
6. Evidence of a commitment of matching funds.
7. Detailed cost estimate for the total project with one price quote.
8. Form RD 442-7, Initial Operating Budget. Projections are to include all expenses including the proposed USDA Loan payment.
9. Copy of any debt instrument for which the applicant is currently liable.
10. Proposed form of security for the loan with an opinion from the applicant's legal counsel on the authority to incur the proposed debt.
11. Map showing the service area boundary.
12. List of Board/Counsel Members and their terms.
13. Form AD-1047, Certification Regarding Debarment...
14. Form AD-1049, Certification Regarding Drug-Free Workplace Requirements.
15. Form RD 400-1, Equal Opportunity Agreement.
16. Form RD 400-4, Assurance Agreement.
17. RD Instruction 1940-Q, Exhibit A-1, Certification for Contracts, Grants and Loans.
18. Form RD 1910-11, Applicant Certification Federal Collection Policies.
19. Additional items to be submitted only by non-profit organizations:
 - a. Copy of current By-laws (certified by Corporate Secretary) and Articles of Incorporation (with Secretary of State Reproduction Certification).

- b. Certificate of Support from each affected local government in your service area.

USDA Rural Development is an equal opportunity Lender, Provider and Employer.

Complaints of discrimination should be sent to:

USDA Director, Office of Civil Rights, Washington, D.C. 20250



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Exhibit A

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FIRE AND RESCUE LOAN CERTIFICATION

The undersigned certifies that:

1. The organization is aware of and in compliance with other Federal statute requirements including but not limited to:
 - a. Section 504 of the Rehabilitation Act of 1973.
 - b. Civil Rights Act of 1964.
 - c. The Americans with Disabilities Act (ADA) of 1990.
 - d. Age Discrimination Act of 1975.
2. The organization is unable to finance the proposed project from its own resources or through commercial credit at reasonable rates and terms.
3. The organization has no known relatives or close associates that are current USDA Rural Development employees.

Name of Organization

Signature of Authorized Official

Date



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**FIRE AND RESCUE LOAN
 APPLICATION PROCESSING CHECKLIST**

Applicant	Project Name
Contact Person	Telephone

File Pos.	Item	Document or Form	Procedure Reference	Date Recd. or Completed	Completed By
3	Priority Recommendation	Guide 26			
3	Items from Exhibit A: 1, 2, 3, 6, 8, 9, 11, 13, 14, 16, 17, 18, and 19b				
5	Items from Exhibit A: 4, 10, 12, and 19a				
6	Items from Exhibit A: 7 and 15				
3	Request from State and Local Clearinghouses	Letter			
8	Feasibility Report	1942-54			
2	RDAPTS				
1	CAIVRS/EPLS		1940-M		
3	Proposed Letter of Conditions	Letter			
3	Other Credit Determination	AN 3706	1942.17		
3	Completed Environmental Review	1940-21 1940-22	1940-G		
3	Draft LAPIS	Memo			
2	Population and MHI Documentation	Census Data	1942.17		
1	Application Processing Checklist	Exhibit B of this Guide			
3	Memorandum to State Office with Comments and Recommendation	Letter	1942.2 SI 1780-2		
	OGC review comments on				



5	non-profit documents	Memo			
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GENERAL CLOSING INSTRUCTIONS FOR FIRE AND RESCUE LOANS

This Exhibit was developed in consultation with OGC to utilize standard closing instructions for Fire and Rescue loans. This will eliminate the need to request closing instructions from OGC for loans made to Fire Districts and other entities that are pledging the equipment financed as security for the loan. Fire and Rescue loans are to be closed in accordance with FmHA Instruction 1942-A, the Letter of Conditions, and the following instructions:

1. The Promissory Note, Form RD 440-22, must be properly prepared and then executed by the appropriate, authorized party and attested to by the applicant's secretary, if applicable.
2. Form FHA-CAL 442-1, Assignment of Income, Assessments, and Revenues must be dated and executed by the borrower. DO NOT record this assignment.
3. The original and a copy of Form UCC-1, Financing Statement must be forwarded to the Secretary of State with the request that the original be filed, the filing information endorsed on the copy, and the copy returned to Rural Development at the address provided in the financing statement. Box 3A should indicate the secured party is the United States of America, acting through the Rural Housing Service.
4. An Information Request must accompany the Financing Statement with the appropriate information search fee. The Secretary of State's Certificate in response to that request must show no encumbrances superior to the Financing Statement in favor of the United States, acting through the Rural Housing Service.
5. Your office must prepare Form FSA 440-04, Security Agreement that describes the vehicle as collateral. Then the Security Agreement must be properly dated and executed by the applicant and attested by the secretary, if applicable.
6. On the certificate of ownership for the vehicle, it must be endorsed to "USA-Rural Housing Service" as legal owner, and to the debtor as registered owner,

and deposited with the Department of Motor Vehicles. If there is no certificate of ownership, obtain an application from the DMV, and show “USA-Rural Housing Service” as legal owner, and the debtor as registered owner, and file it with the Department of Motor Vehicles.

7. Check the new certificate of ownership received from the DMV to make sure it shows “USA-Rural Housing Service” as legal owner, and then file it in the borrower’s docket.



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8. Junior security interests are not permitted on the vehicle.
9. Under no circumstances shall the United States or its officers or agents, or any lender insured by the United States, be responsible for any of the costs or charges incurred in connection with this transaction.

The above instructions are provided for routine Fire and Rescue loan closings. If unusual circumstances or special conditions apply, the case is to be referred to the State Office who will seek supplemental advice from OGC.