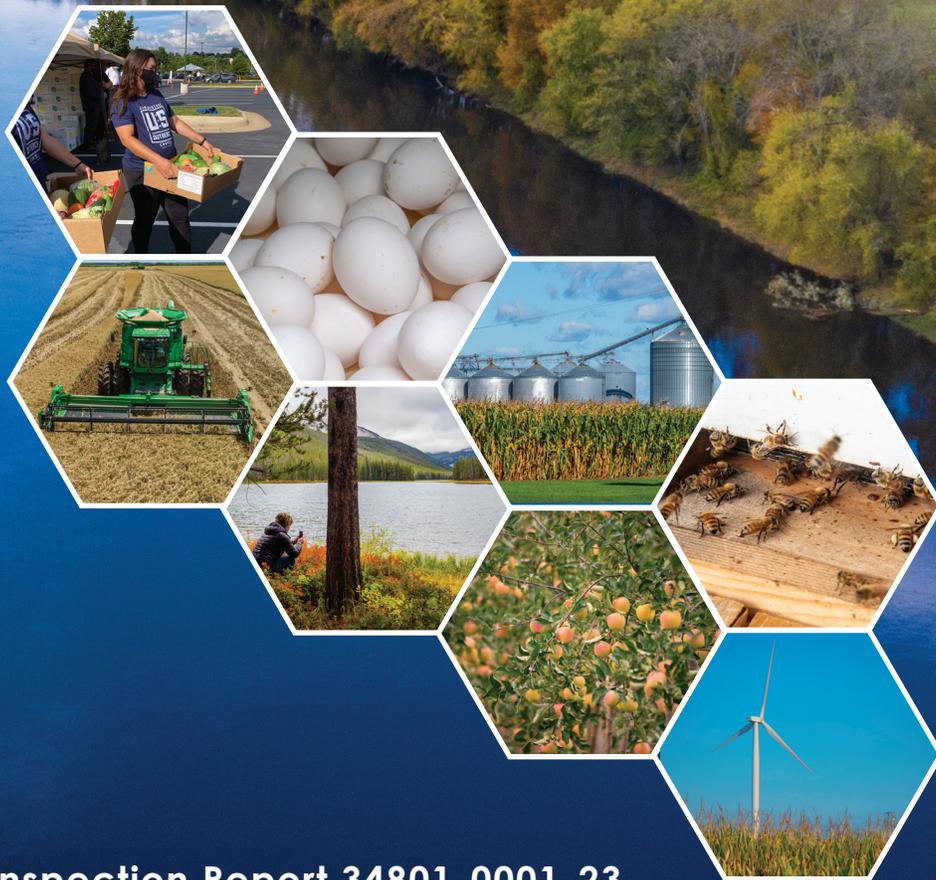


COVID-19—Business and Industry Guaranteed Loan Modifications in Response to the Pandemic



Inspection Report 34801-0001-23

September 2021

OFFICE OF INSPECTOR GENERAL

COVID-19—Business and Industry Guaranteed Loan Modifications in Response to the Pandemic

Inspection Report 34801-0001-23

We determined how RBCS implemented the B&I CARES Act Guaranteed Loan Program and made modifications to help guaranteed lenders with existing borrowers experiencing cash flow issues.

OBJECTIVE

Our inspection objectives were to determine: (1) how RBCS implemented and tracked changes and modifications made to help guaranteed lenders with borrowers experiencing temporary cash flow issues; (2) how many existing loans were deferred in response to the COVID-19 pandemic and how these loans were tracked and analyzed; (3) how the agency conducted outreach to rural businesses to provide access to funding for sustaining operations; (4) what amount of CARES Act B&I loans were made to agricultural producers for production; and (5) what amount of CARES Act B&I funds did RBCS provide to non-agricultural rural businesses.

REVIEWED

We reviewed laws, regulations, policies, and procedures associated with the B&I Guaranteed Loan Program and B&I CARES Act Guaranteed Loan Program; interviewed RBCS officials; and reviewed documentation.

RECOMMENDS

We made no recommendations in this report.

WHAT OIG FOUND

The mission of the United States Department of Agriculture's (USDA) Rural Development is to increase economic opportunities and improve the quality of life for Americans in rural areas. The Rural Business-Cooperative Service (RBCS), an agency within the Rural Development mission area, offers programs to help businesses in rural areas grow. Under the RBCS Business and Industry (B&I) Guaranteed Loan Program, private lenders make loans for creating and expanding rural businesses, as well as creating employment opportunities in rural America. On May 22, 2020, USDA announced the B&I Coronavirus Aid, Relief, and Economic Security (CARES) Act Guaranteed Loan Program to provide working capital loans to businesses of any size and industry in rural areas of the country.

RBCS used the existing B&I Guaranteed Loan Program structure for approving and servicing guaranteed loans to immediately implement and track the new B&I CARES Act Guaranteed Loan Program. According to RBCS guidance, the agency's goal was to collaborate with guaranteed lenders to help as many borrowers as possible with the working capital necessary to emerge from the adverse impacts of the pandemic and be positioned to operate successful businesses in rural America.

During the COVID-19 pandemic, there was a lack of access to much-needed capital to support business operations and facilities. To ensure lenders and borrowers were informed of opportunities for assistance, RBCS conducted outreach in multiple forms, including webinars and Federal Register notices.

There were 639 existing B&I guaranteed loans—totaling more than \$2.4 billion—deferred for payment. As of September 1, 2021, there were 10 loans provided to agricultural businesses and producers totaling more than \$55.6 million (6.6 percent) of the \$846.4 million in B&I CARES Act Guaranteed Loan Program funding. There were another 204 loans totaling more than \$790.8 million supporting non-agricultural businesses in rural areas.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: September 27, 2021

INSPECTION

NUMBER: 34801-0001-23

TO: Dr. Karama Neal
Administrator
Rural Business-Cooperative Service

ATTN: Angilla Denton
Chief Risk Officer

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: COVID-19—Business and Industry Guaranteed Loan Modifications in Response to the Pandemic

This report presents the results of the subject review. We do not have any recommendations in the report, and therefore, no further response to this office is necessary.

We appreciate the courtesies and cooperation extended to us by members of your staff during our inspection fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

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Background and Objectives

Background

The mission of the United States Department of Agriculture's (USDA) Rural Development is to increase economic opportunities and improve the quality of life for Americans in rural areas.¹ The Rural Business-Cooperative Service (RBCS), an agency within the Rural Development mission area, offers programs to help businesses in rural areas grow. Under the RBCS Business and Industry (B&I) Guaranteed Loan Program, private lenders make loans for creating and expanding rural businesses, as well as creating employment opportunities in rural America.^{2, 3} The lender is responsible for making the loan, servicing the loan, and taking all servicing actions that a lender would perform in servicing its own portfolio of loans that are not guaranteed.⁴

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act⁵ to provide emergency assistance and health care response for individuals, families, and businesses affected by the Coronavirus Disease 2019 (COVID-19) pandemic. This law provided \$20.5 million⁶ in funds to RBCS to support up to \$951 million in loan guarantees to help rural businesses meet their working capital needs during the COVID-19 pandemic.

On May 22, 2020, USDA announced the B&I CARES Act Guaranteed Loan Program (hereinafter referred to as B&I CARES Act Program) as a new program to provide working capital loans for businesses in rural areas of the country.⁷ Businesses of any size and industry—so long as they are located in a qualifying rural area—are eligible, including non-profits, agribusinesses,⁸ and agricultural producers.⁹ Borrowers must have been in operation on or before February 15, 2020. The program is accepting applications until September 15, 2021, or until funding runs out, with program funding expiring on September 30, 2021. RBCS modified regulations to the traditional B&I Guaranteed Loan Program for the B&I CARES Act Program to allow the agency to:

¹ A rural area, as defined by 7 C.F.R. § 4279.108(c), is any area of a State not in a city or town that has a population of greater than 50,000 inhabitants and any urbanized area contiguous and adjacent to such a city or town.

² Other purposes include purchase of real estate, machinery and equipment, supplies, limited debt refinancing, and working capital.

³ A loan guarantee is a contractual obligation between the Government, borrower, and private creditors—such as a bank or other commercial loan institution—that the Federal Government will cover the borrower's debt obligation in the event that the borrower defaults.

⁴ 7 C.F.R. § 5001.6.

⁵ Pub. L. No. 116-136, 134 Stat. 281.

⁶ The Act allowed no more than 3 percent (\$615,000 = 3 percent of \$20.5 million) for administrative costs to carry out loan guarantee activities.

⁷ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

⁸ An agribusiness is an entity engaged in farm production; the manufacture and distribution of farm equipment and supplies; or the processing, storage, and distribution of farm commodities.

⁹ An agricultural producer is a person, including non-profits, directly engaged in the production of agricultural products through labor management and operations, including the cultivating, growing, and harvesting of plants and crops (including farming); breeding, raising, feeding, or housing of livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations. 7 C.F.R. § 5001.3.

- provide 90 percent guarantees on B&I CARES Act Program loans;¹⁰
- set the guarantee fee at 2 percent of the loan;¹¹
- accept appraisals completed within 2 years of the loan application date;¹²
- not require discounting of collateral for working capital loans;¹³ and
- extend the maximum term for working capital loans from 7 to 10 years.¹⁴

B&I CARES Act Program: Different than the (Regular) B&I Program

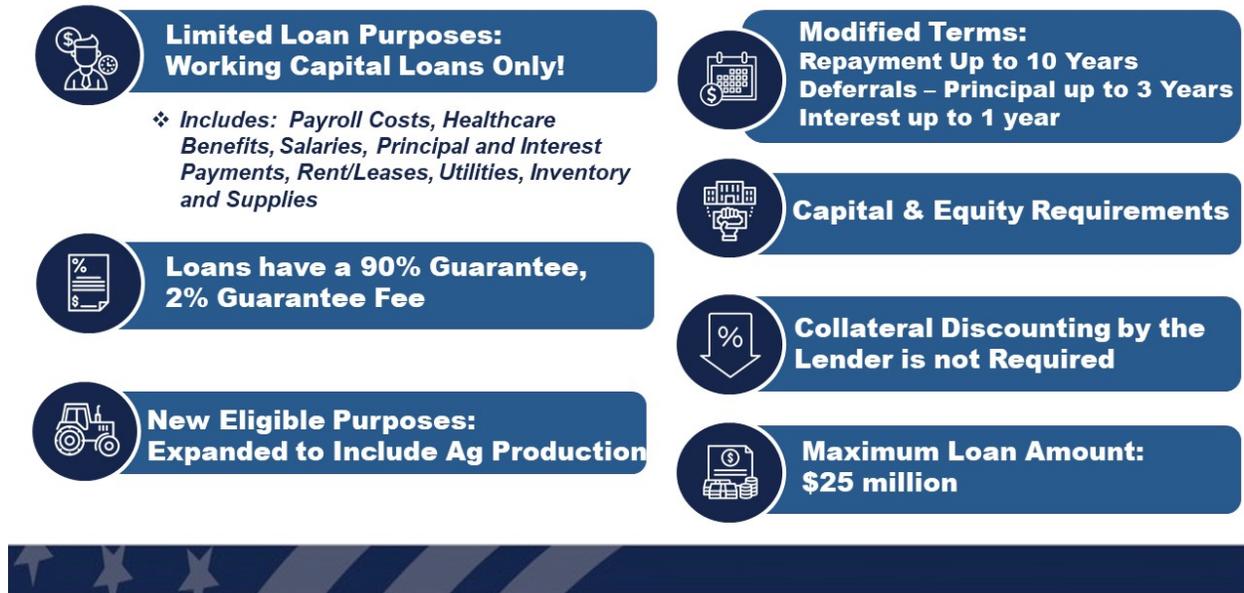


Figure 1: Illustration of the Modifications to Traditional (Regular) B&I Guaranteed Loan Program for the B&I CARES Act Guaranteed Loan Program¹⁵

The B&I CARES Act Program focuses on providing assistance to rural businesses with financial needs that have not been met by other Federal programs that responded to the COVID-19

¹⁰ 7 C.F.R. § 4279.190 (e).

¹¹ The guarantee fee is a one-time, non-refundable fee paid by the lender to the agency at or before loan closing and is required to be paid before the agency will issue the loan note guarantee. The lender may pass the guarantee fee on to the borrower. 7 C.F.R. § 5001.454, § 4279.190 (f).

¹² An appraisal is a valuation of property by the estimate of an authorized person. All appraisals of real estate must be compliant with Uniform Standards of Professional Appraisal Practices requirements and reflect the current market value. 7 C.F.R. § 4279.190 (l).

¹³ Within the regular B&I Loan Program the lender must discount collateral consistent with the sound loan-to-discounted value policy outlined in 7 C.F.R. § 4279.131(b)(1). 7 C.F.R. § 4279.190 (j).

¹⁴ The term of the loan is the number of years to repay the loan. 7 C.F.R. § 4279.190 (h).

¹⁵ Illustration provided by RBCS.

pandemic. The guaranteed loans are limited to working capital purposes,¹⁶ and are ineligible for business acquisitions or other debt refinancing. The maximum loan amount is 12 times the borrower’s total average monthly costs for eligible working capital,¹⁷ minus any Small Business Administration (SBA) Payroll Protection Program and Economic Injury Disaster Loan¹⁸ program funds received.¹⁹ In addition, the total amount of loans to one borrower under both the traditional B&I and B&I CARES Act Programs cannot exceed \$25 million. This program also extends the term of the working capital loans and offers principal and interest payment deferral opportunities.²⁰

On March 31, 2020, Rural Development issued a notice to temporarily allow lenders with B&I guaranteed loans to offer payment deferrals to borrowers experiencing temporary cash flow issues resulting from the COVID-19 pandemic.²¹ This guidance applied to all borrowers that had a current repayment status as of January 31, 2020. Lenders were allowed—without agency approval through September 30, 2020—to defer loan payments for borrowers for a period no longer than 180 days from the date the original payment was due. After September 30, 2020, lenders resumed obtaining agency approval in accordance with applicable program regulations. (See “*How many existing loans were deferred in response to the COVID-19 pandemic and how did RBCS track and analyze these loans?*” for more details.)

Objectives

Our inspection objectives were to determine: (1) how RBCS implemented and tracked changes and modifications made to help guaranteed lenders with borrowers experiencing temporary cash flow issues; (2) how many existing loans were deferred in response to the COVID-19 pandemic and how these loans were tracked and analyzed; (3) how the agency conducted outreach to rural businesses, including agribusiness and agricultural producers, to provide access to funding for sustaining operations; (4) what amount and percentage of CARES Act B&I loans were made to

¹⁶ Eligible working capital loan uses of B&I CARES Act Program funds are limited to: (1) wages, salaries, sales commissions to employees, group healthcare benefits, and other employee benefits; (2) administrative expenses and administrative service contracts; (3) property insurance, hazard insurance, and other business insurance; (4) principal and interest payments excluding owner/stockholder debt and related-party debts; (5) rent, payments on leases, and routine maintenance; (6) utilities; (7) inventory feed, seed, fertilizer and chemicals, livestock (excluding livestock for breeding) and supplies; (8) marketing, shipping, and other expenses incurred through normal business operations or such additional expenses due to the national COVID-19 public health emergency; (9) taxes; and (10) loan costs and essential loan related expenses.

¹⁷ Working capital is comprised of the current assets available to support a business’ operations and growth. Working capital is calculated as current assets minus current liabilities.

¹⁸ The Payroll Protection Program provides loans that help businesses keep their workforce employed during the COVID-19 crisis. The Economic Injury Disaster Loan Program provides economic relief to small businesses and nonprofit organizations that are experiencing a temporary loss of revenue. The SBA oversees both these loan programs.

¹⁹ For example, if a business is eligible for a B&I CARES Act loan of up to \$100,000, but has already received a Payroll Protection Program loan for \$10,000, then the business can only receive \$90,000 for the B&I CARES Act loan.

²⁰ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

²¹ Notification of Guarantee Loan Payment Deferrals for Business and Industry Loan Guarantees, Rural Energy for America Program Loan Guarantees, Community Facilities Loan Guarantees, and Water and Waste Loan Guarantees, 85 Fed. Reg. 17,721 (Mar. 31, 2020).

agricultural producers for production; and (5) what amount of CARES Act B&I funds did RBCS provide to non-agricultural rural businesses in all industry sectors.

RBCS—B&I CARES ACT GUARANTEED LOAN PROGRAM

How did RBCS implement and track changes and modifications made to help guaranteed lenders with borrowers experiencing temporary cash flow issues?

RBCS used the existing B&I Guaranteed Loan Program structure for approving and servicing guaranteed loans to immediately implement and track the new B&I CARES Act Program. On May 22, 2020, RBCS issued an interim final rule²² in the Federal Register to implement the B&I CARES Act Program.²³ The rule described the changes and modifications²⁴ to the administrative procedures and eligibility requirements for the new B&I CARES Act Program, to include loans for agricultural production,²⁵ and stated that the purpose of this funding was to respond to the COVID-19 pandemic. Furthermore, the rule stated it was the agency’s intent that loan funds under the CARES Act would be used for working capital to support business operations and facilities for multiple industries in rural areas that were economically impacted by COVID-19.

RBCS expanded the B&I CARES Act Program to include loans for agricultural production in order to provide assistance to agricultural producers that were impacted by the pandemic but were too large to qualify for SBA programs or the USDA Farm Service Agency (FSA) Guaranteed Loan Program.²⁶ The agency noted that this expansion could limit the availability of funds for other rural businesses; therefore, RBCS capped the amount of B&I CARES Act loans awarded for agricultural production to 50 percent of the total program amount of \$951 million.²⁷ Furthermore, in order to prevent duplication, RBCS required that the maximum amount a borrower could receive be reduced by the amount of other Federal emergency assistance the borrower received.

RBCS’ Program Process Division was responsible for approving and servicing the traditional B&I guaranteed loans; therefore, the division acquired the same responsibilities for the B&I CARES Act Program. Furthermore, RBCS used the Guaranteed Loan System (GLS),²⁸ which is used for the traditional B&I Loan Program, for the B&I CARES Act Program while implementing the necessary changes.²⁹

²² Interim final rule: when a Federal agency finds it has good cause to issue a final rule without first publishing a proposed rule, it often characterizes the rule as an “interim final rule” or “interim rule.” This type of rule becomes effective immediately upon publication.

²³ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

²⁴ See Figure 1 in the Background of this report for additional information on modifications.

²⁵ Agricultural production means the cultivation, growing, or harvesting of plants and crops (including farming); breeding, raising, feeding, or housing of livestock (including ranching); forestry products, hydroponics, or nursery stock; or aquaculture. 7 C.F.R. § 5001.3.

²⁶ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

²⁷ The Business and Industry Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Guaranteed Loan Program, 85 Fed. Reg. 31,139 (May 22, 2020).

²⁸ GLS is an information system that records and manages obligations, servicing, and loss claims for multiple USDA guaranteed loan programs.

²⁹ 7 C.F.R. § 4279.190.

Because this program met different needs than those addressed by the traditional B&I Guaranteed Loan Program, it was implemented and tracked as a separate guaranteed loan program. To ensure staff were made aware of the differences between the two programs, RBCS developed and provided guidance to their staff for implementing and tracking the new program. In order to ensure that loans awarded for agricultural production were limited to 50 percent of the total program amount, RBCS used different codes in the system to track the new program and the agricultural production loans obligated within the program.

The first B&I CARES Act loans were distributed in June 2020 and, as of September 1, 2021, there were 214 loans totaling more than \$846.4 million distributed to help borrowers from various industries who experienced temporary cash flow issues.

The following chart depicts the industries supported by the B&I CARES Act Program.³⁰

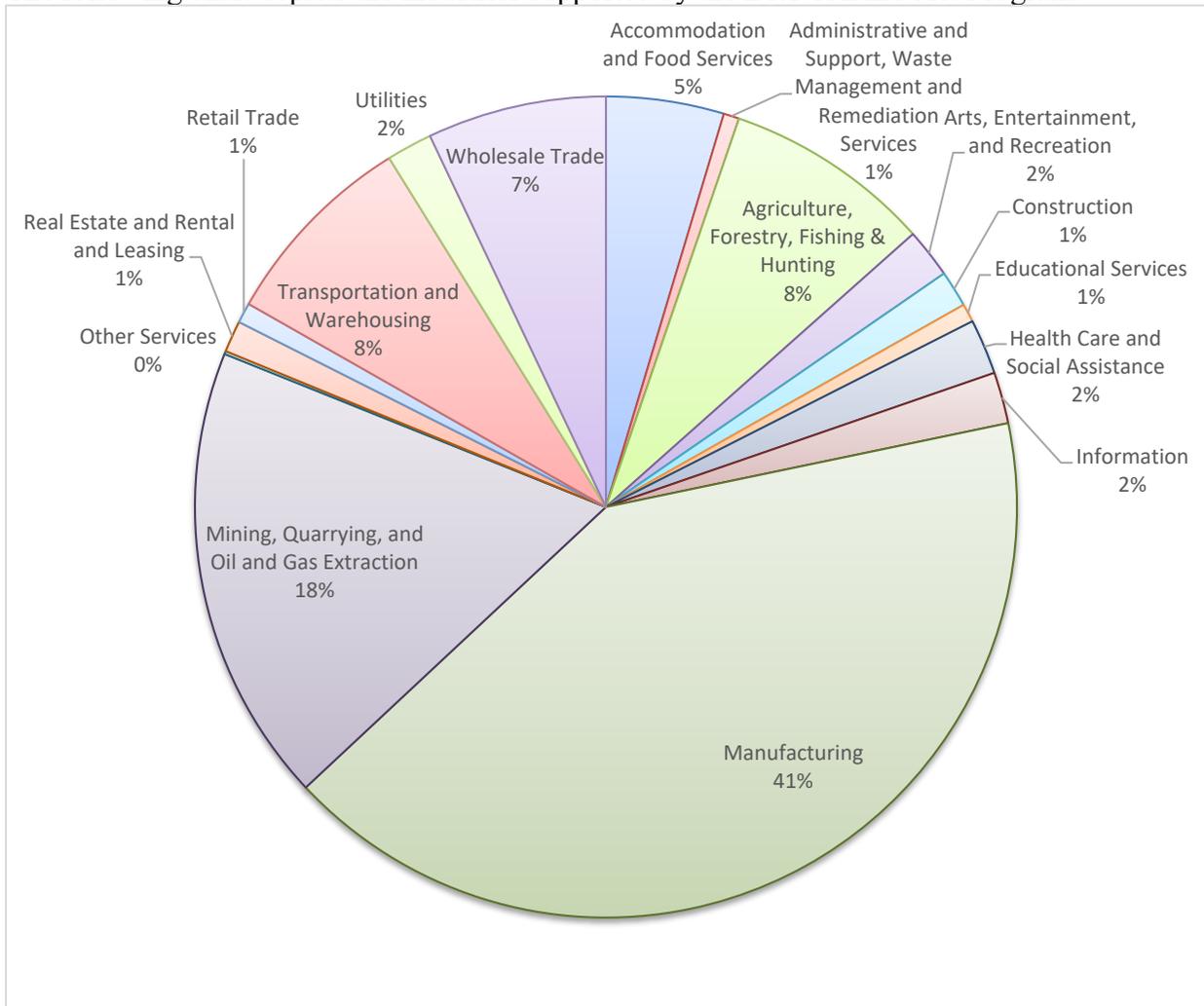


Figure 2: Breakdown of Industries Supported by the B&I CARES Act Program as of March 25, 2021 (Percentage of Dollar Amount)

³⁰ Figure 2 represents B&I CARES Act loans as of March 25, 2021, (167 loans totaling more than \$662.2 million) because the updated information as of September 1, 2021, provided by RCBS did not include industry breakdown data.

How many existing loans were deferred in response to the COVID-19 pandemic and how did RBCS track and analyze these loans?

RBCS officials stated there were 639 existing B&I guaranteed loans—totaling more than \$2.4 billion—deferred for payment.³¹ According to RBCS guidance, the agency’s goal was to partner with guaranteed lenders to help as many borrowers as possible emerge from the adverse impacts of the COVID-19 pandemic positioned to operate successful businesses serving rural America. Guaranteed lenders were able to provide a payment deferral during the pandemic for the period of March 31, 2020, through September 30, 2020, without agency approval. RBCS tracked the existing, deferred loans using a 501-status code that each Rural Development State office manually entered into GLS after receiving notification of deferral from the lender. An RBCS official stated that they did not have a clear way in the system to track the loans that were deferred during the pandemic, therefore, the agency decided to use the existing 501-status code for this purpose.³² As of March 29, 2021, there were 117 existing loans—totaling more than \$506.3 million—deferred for payment, a decrease of 82 percent.³³ An RBCS official informed us that, since the deferral is authorized for 180 days, many borrowers’ deferments expired and the borrowers were expected to resume payments.

An RBCS official stated that their analysis of the loans thus far was limited to obtaining weekly reports and monitoring the types of industries most impacted by the COVID-19 pandemic. Additionally, the official stated that one staff member was assigned to monitor hotel loans³⁴ in the portfolio, as hotel loans represent a large share of loan deferments.

On the following page, Figure 3 illustrates the breakdown of the existing loan deferments by industry.

³¹ The agency believes that the vast majority of these loans were deferred between March 31, 2020, and September 30, 2020, the 6-month period when agency approval was not required in order to defer loans in response to the COVID-19 pandemic.

³² The 501-status code was used to track the deferred loans between March 31, 2020, and September 30, 2020; however, there may have been some loans deferred that were coded with the 501-status code before the pandemic. This status code is also used for nondelinquent problem loans.

³³ Information provided by RCBS in September 2021 did not include updated deferred loan data for existing B&I loans.

³⁴ Hotel loans fall within the accommodation and food service industry.

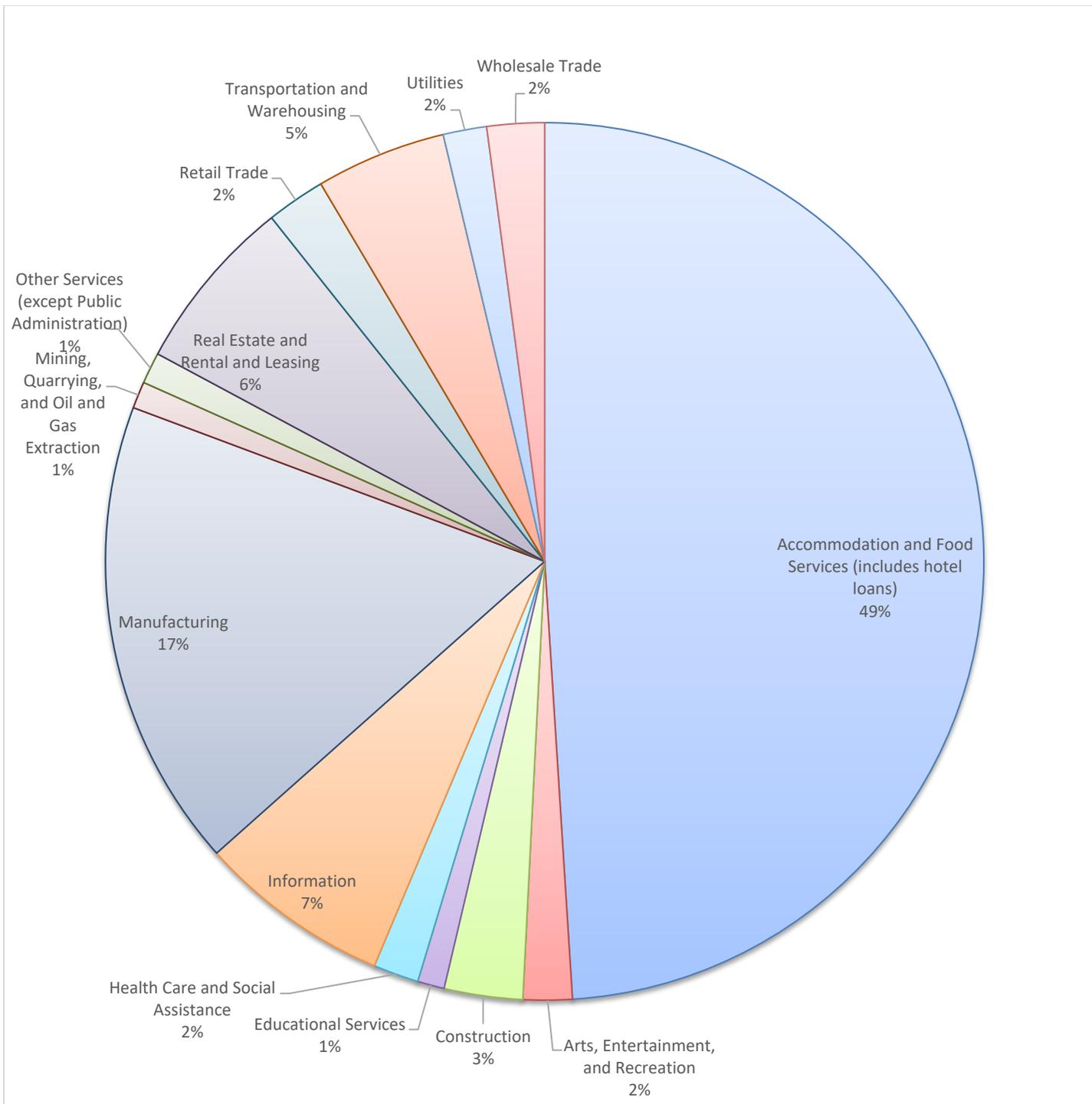


Figure 3: Breakdown of the 117 Existing Loan Deferments by Industry as of March 29, 2021 (Percentage of Dollar Amount)

How did the agency conduct outreach to rural businesses, including agribusiness and agricultural producers, to provide access to funding for sustaining operations?

During the COVID-19 pandemic, there was a lack of access to much-needed capital to support business operations and facilities.³⁵ RBCS informed lenders and borrowers of opportunities for assistance, and conducted outreach in multiple forms, including Federal Register notices and webinars hosted by itself and by commercial lenders.

RBCS' primary form of outreach was webinars, which included information about:

- an overview of the B&I CARES Act Program;
- requirements for lender eligibility;
- eligible uses for the loans;
- the application process; and
- details of the loans themselves, such as the maximum amount and requirements to make sure the loans were adequately secured.

RBCS hosted webinars on May 27, 2020, and June 3, 2020, which over 1,000 and 800 viewers attended, respectively. RBCS recorded these webinars, which are still available on a social media video platform.

Outside groups—such as lending institution organizations including organizations specific to the agricultural industry—hosted webinars. Outside groups hosted three webinars between May 27, 2020, and June 18, 2020, some of which RBCS officials attended. An RBCS official stated that, although there were no formal agreements between the lenders and USDA to conduct outreach on the agency's behalf, much of the outreach was conducted by lending institutions due to the natural incentive for lenders to make and close loans.

Additionally, Federal Register notices published on March 31, 2020, and May 22, 2020, included a notification for deferring guaranteed loans, notice of funding availability (NOFA),³⁶ and guidance on administering the B&I CARES Act Program. Figure 4, on the following page, illustrates information contained in these Federal Register notices.

³⁵ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

³⁶ The NOFA is a notice published in the Federal Register that describes the type of funding available on a competitive basis and provides a contact where an application may be submitted.

Federal Register Vol. 85, No. 62

- Published March 31, 2020.
- Provided information about lenders' ability to defer B&I guaranteed loans without agency approval.

Federal Register Vol. 85, No. 100

- Published May 22, 2020.
- Provided the NOFA that applies only to the award of CARES Act funds for loans made available through the B&I CARES Act Guaranteed Loan Program.
- Included the interim final rule that provided guidance on administering the B&I CARES Act Guaranteed Loan Program.

Figure 4: Information on Federal Registers Related to RBCS' Deferred Loans and B&I CARES Act Guaranteed Loan Program.^{37, 38, 39}

³⁷ Notification of Guarantee Loan Payment Deferrals for Business and Industry Loan Guarantees, Rural Energy for America Program Loan Guarantees, Community Facilities Loan Guarantees, and Water and Waste Loan Guarantees, 85 Fed. Reg. 17,721 (Mar. 31, 2020).

³⁸ The Business and Industry Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Guaranteed Loan Program, 85 Fed. Reg. 31,139 (May 22, 2020).

³⁹ Guaranteed Loanmaking and Servicing Regulations, 85 Fed. Reg. 31,035 (May 22, 2020).

What amount and percentage of CARES Act B&I loans were made to agricultural businesses and producers?

As of September 1, 2021, there were 10 loans totaling more than \$55.6 million (6.6 percent) of B&I CARES Act Program funding provided to agricultural businesses and producers, which included dairy and swine farming operations.

Agricultural lenders, agribusinesses, and agricultural producer stakeholders reached out to the agency to emphasize the adverse impacts of the COVID-19 pandemic on agricultural producers and agribusinesses. These stakeholders emphasized both the financial needs of agricultural producers and the lack of assistance available to agricultural producers that were too large to qualify for FSA or SBA guaranteed loan programs. An agency official stated they were unsure how many agricultural producers would apply for a B&I CARES Act guaranteed loan since there were other FSA and SBA programs that agricultural producers could use to address their needs. To ensure large agricultural producers and rural businesses in all industry sectors had access to the program, RBCS determined that the aggregate of loans for agricultural production would be limited to 50 percent (about \$475.5 million) of the total amount of program level funding for the B&I CARES Act Program.

What amount of CARES Act B&I funds did RBCS provide to non-agricultural rural businesses in all industry sectors?

As of September 1, 2021, there were 204 B&I CARES Act Program loans provided to non-agricultural rural businesses totaling more than \$790.8 million. As noted previously (see Figure 2), various industries—such as manufacturing, mining, agriculture, food services, transportation, etc.—were supported by B&I CARES Act Program funds. The chart below shows the amount of non-agricultural loan funds distributed each month from June 2020 to August 2021. Loans were not distributed in October 2020 due to updating the subsidy rate⁴⁰ for the new fiscal year. The first B&I CARES Act guaranteed loans were distributed in June 2020.

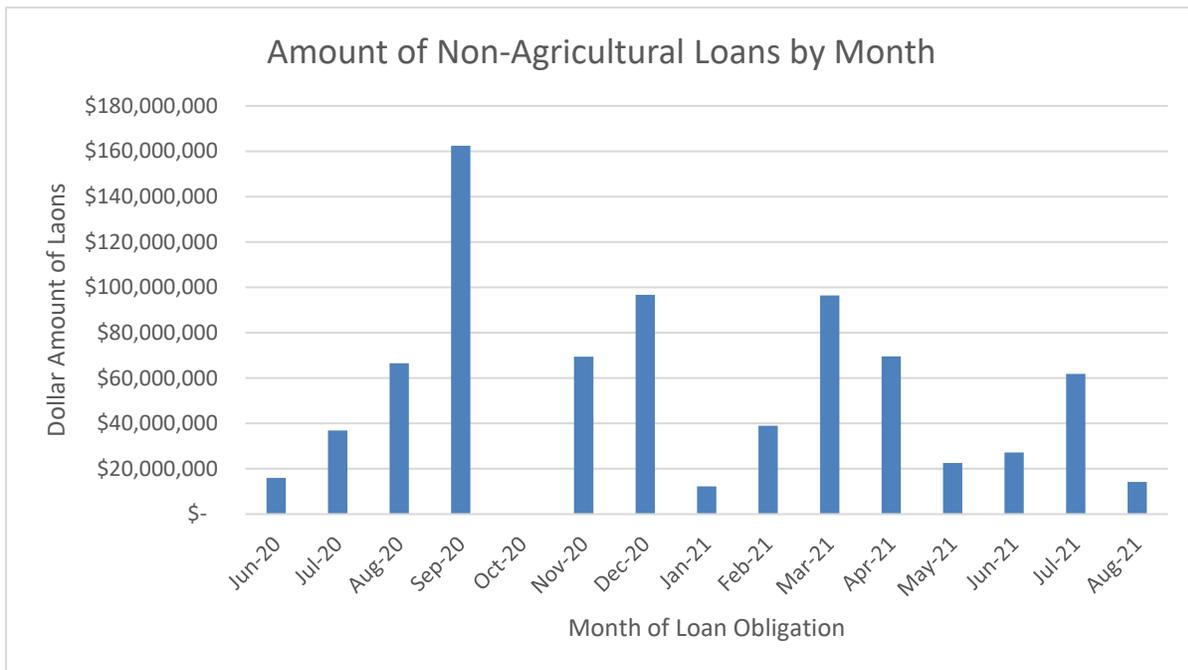


Figure 5: Amount of Non-Agricultural Loans by Month⁴¹

⁴⁰ The subsidy rate is defined as the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis in the year the loan is disbursed, excluding administrative costs. Subsidy costs are estimated annually.

⁴¹ An agency official stated that each year the subsidy rate changes and has to be re-calculated. The Office of Management and Budget provides the new subsidy rate. This process takes most of the month so there are no loans made in October.

Scope and Methodology

We conducted an inspection to determine how RBCS implemented the B&I CARES Act Program and made modifications to help guaranteed lenders with existing borrowers experiencing temporary cash flow issues due to the COVID-19 pandemic. Our inspection also included determining the amount of B&I CARES Act Program loans provided to agricultural producers and non-agricultural rural business sectors. Our inspection followed the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation*.⁴² We performed our inspection remotely due to the COVID-19 pandemic. The inspection scope covered both B&I CARES Act guaranteed loans provided to rural businesses from June 19, 2020, through September 1, 2021, and B&I guaranteed loans that were deferred for payment. We conducted our fieldwork from January 2021 through September 2021.⁴³

To accomplish our inspection objectives, we:

- reviewed laws, regulations, policies, and procedures associated with the B&I Guaranteed Loan program and B&I CARES Act Program;
- interviewed RBCS officials to discuss how RBCS analyzed and tracked changes and modifications to existing B&I guaranteed loans when payments were deferred and the B&I CARES Act Program was implemented;
- interviewed RBCS officials and reviewed documentation to determine how the agency conducted outreach to rural lenders and businesses; and
- reviewed guaranteed loan documentation to determine the number of existing B&I loans with a payment deferral in response to the COVID-19 pandemic, and the number and amount of B&I CARES Act loans provided to businesses, and agricultural businesses and producers.

We conducted this inspection in accordance with CIGIE's *Quality Standards for Inspection and Evaluation*. These standards require that we plan and perform the inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions.

⁴² CIGIE, *Quality Standards for Inspection and Evaluation* (Jan. 2012).

⁴³ On September 2, 2021, the agency provided an update on CARES Act B&I loan data as of September 1, 2021, and RBCS confirmed the agriculture-related data on September 20, 2021.

Abbreviations

B&I	Business and Industry
CARES.....	Coronavirus Aid, Relief, and Economic Security
C.F.R.	Code of Federal Regulations
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency
COVID-19.....	Coronavirus Disease 2019
FSA	Farm Service Agency
GLS.....	Guaranteed Loan System
NOFA.....	notice of funding availability
OIG	Office of Inspector General
RBCS	Rural Business-Cooperative Service
SBA.....	Small Business Administration
USDA.....	United States Department of Agriculture



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