



United States Department of Agriculture

Rural Development

Office of the Administrator

Rural Business-Cooperative
Service
1400 Independence Ave, SW
Room 5803-S
Washington, D.C. 20250

Telephone: (202) 690-4730

TO: ALL RBCS Direct National Office Staff
Field Office Staff
Rural Business Cooperative Services

ATTN: Leadership Designees
State Directors
Rural Development

FROM: J.R. Claeys
Administrator
Rural Business Cooperative Services

SUBJECT: Ensuring Strong Stewardship and Customer Service in RBCS Guaranteed Lending & Other Programs

PURPOSE

The Purpose of this Unnumbered Letter (UL) is to provide notice to Rural Business-Cooperative Service staff of the Administrator's direction related to the overall RBCS portfolio health and further actions that need to be taken. Direction includes 1. portfolio health and 2. energy investments.

IMPLEMENTATION

The following is a direct report from our Administrator and Senior Leadership within the Rural Business-Cooperative Service on ensuring strong stewardship of RBCS guaranteed lending and other programs:

1. Portfolio Health Review

To improve the health of our guaranteed lending portfolio, we are requiring that all state directors, regardless of the delinquency rate in your state, take the following actions:

- Immediately take servicing action on all delinquent loans in your state portfolio. This action may include working with the lender to create a plan to bring the loan current or it may involve initiating the process of liquidation. The current delinquency list is attached for reference.
- Communicate with lenders to receive updates on existing loans. If new delinquencies are disclosed, report this information immediately to Justin Kirking, the Branch Chief of the Servicing Branch (Justin.Kirking@usda.gov), and initiate a servicing action with the lender.
 - Take this opportunity to remind lenders of the regulatory requirement to notify USDA of a delinquency within 30 days.

EXPIRATION DATE:
August 31, 2026

FILING INSTRUCTIONS:
Community/Business Programs

- Take this opportunity to remind lenders of the regulatory requirement to notify USDA of a delinquency within 30 days. While communicating with lenders, inquire about new opportunities to assist with projects using our guaranteed loan programs including TPEP, B&I and REAP.
- Review your YTD allocation of funds and make sure that you are on track to use funds by the end of the fiscal year (September 30, 2025). The current allocation report is attached.
 - The Business & Industry Loan Guarantee Program will have the largest lending authority in program history in FY25. We have a tremendous opportunity to improve the lives of rural Americans with the resources available to you through the programs administered by the Rural Business-Cooperative Service.

2. **Energy Investments: Solar and Wind Projects**

On July 7, 2025, President Donald J. Trump signed Executive Order 14315, Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources. In this EO, the President underscored the importance of “Ending the massive cost of taxpayer handouts to unreliable energy sources is vital to energy dominance, national security, economic growth, and the fiscal health of the Nation.” ([EO 14315 Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources](#)). Per the order of this EO we have been directed to:

- Rapidly eliminate the market distortions and costs imposed on taxpayers by so-called “green” energy subsidies.
- Build upon and strengthen the repeal of and modifications to, wind, solar, and other “green” energy tax credits in the One Big Beautiful Bill Act.
- End taxpayer support for unaffordable and unreliable “green” energy sources and supply chains built in, and controlled by, foreign adversaries.

Given these directions, we are moving forward with the following policy actions effective immediately:

- For the **Business and Industry (B&I) Guaranteed Loan Program**, wind and solar projects are not eligible.
- For the **Rural Energy for America Program (REAP) Guaranteed Loan Program** we will work to serve America’s farmers, ranchers and producers with energy sources using wind and solar sized for their facilities. REAP projects are ineligible for REAP GL and disincentivized for REAP grants via forthcoming priority points if they include any of the following:
 - ground mount solar photovoltaic systems larger than 50kW;
 - ground mount solar photovoltaic systems that cannot document historical energy usage;

- ground mount solar photovoltaic systems proposing to be installed on certified cropland as defined by the Farm Service Agency in Handbook 10-CM (rev. 2) exhibit; or
- solar photovoltaic systems consisting of any component made in a country named as a foreign adversary as defined in [15 CFR 791.4](#).

Thank you for your continued diligent efforts to improve portfolio health and solve problems where they arise. We understand that this is a laborious process, and we want you to know that we are here to support you.

If you have any questions regarding the guidance on the UL please contact Dominick Lombardi, Confidential Assistant to the Administrator (Dominick.Lombardi@usda.gov).

Best Regards,



J.R. Claeys
Administrator
Rural Business-Cooperative Service