

Farm Service Agency, USDA

§ 773.9

credit history. Unacceptable credit history will not include isolated instances of late payments which do not represent a pattern and were clearly beyond the applicant's control or lack of credit history.

§ 773.7 Loan uses.

Loan funds may be used for any of the following purposes related to the production or marketing of apples:

- (a) Payment of costs associated with reorganizing a farm to improve its profitability;
- (b) Payment of annual farm operating expenses;
- (c) Purchase of farm equipment or fixtures;
- (d) Acquiring, enlarging, or leasing a farm;
- (e) Making capital improvements to a farm;
- (f) Refinancing indebtedness;
- (g) Purchase of cooperative stock for credit, production, processing or marketing purposes; or
- (h) Payment of loan closing costs.

§ 773.8 Limitations.

- (a) The maximum loan amount any individual or business entity may receive under the Special Apple Loan Program is limited to \$500,000.
- (b) The maximum loan is further limited to \$300 per acre of apple trees in production in 1999 or 2000, whichever is greater.
- (c) Loan funds may not be used to pay expenses incurred for lobbying or related activities.
- (d) Loans may not be made for any purpose which contributes to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

§ 773.9 Environmental compliance.

- (a) Except as otherwise specified in this section, prior to approval of any loan, an environmental evaluation will be completed by the Agency to determine if the proposed action will have any adverse impacts on the human environment and cultural resources. Loan applicants will provide all information necessary for the Agency to make its evaluation.
- (b) The following loan actions were reviewed for the purpose of compliance

with the National Environmental Policy Act (NEPA), 40 CFR parts 1500 through 1508, and determined not to have a significant impact on the quality of the human environment, either individually or cumulatively. Therefore the following loan actions are categorically excluded from the requirements of an environmental evaluation:

- (1) Payment of legal costs associated with reorganizing a farm to improve its profitability as long as there will be no changes in the land's use or character;
 - (2) Purchase of farm equipment which will not be affixed to a permanent mount or position;
 - (3) Acquiring or leasing a farm;
 - (4) Refinancing an indebtedness not greater than \$30,000;
 - (5) Purchase of stock in a credit association or in a cooperative which deals with the production, processing or marketing of apples; and
 - (6) Payment of loan closing costs.
- (c) The loan actions listed in paragraph (b) of this section were also reviewed in accordance with section 106 of the National Historic Preservation Act (NHPA). It was determined that these loan actions are non-undertakings with no potential to affect or alter historic properties and therefore, will not require consultation with the State Historic Preservation Officer, Tribal Historic Preservation Officer, or other interested parties.

(d) If adverse environmental impacts, either direct or indirect, are identified, the Agency will complete an environmental assessment in accordance with the Council on Environmental Quality's Regulations for Implementing the Procedural Provisions of NEPA to the extent required by law.

(e) In order to minimize the financial risk associated with contamination of real property from hazardous waste and other environmental concerns, the Agency will complete an environmental risk evaluation of the environmental risks to the real estate collateral posed by the presence of hazardous substances and other environmental concerns.

- (1) The Agency will not accept real estate as collateral which has significant environmental risks.