

United States Senate

WASHINGTON, DC 20510

August 14, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Majority Leader McConnell and Minority Leader Schumer,

As Congress continues to develop legislative responses to coronavirus and the associated economic downturn, we ask that you consider including S.4152, the *Flexible Financing for Rural America Act of 2020*. This bill would allow rural electric cooperatives and telecommunications providers to refinance their existing United States Department of Agriculture (USDA) Rural Utility Service (RUS) loan debt at current market rates. By taking advantage of today's lower interest rates, rural cooperatives and businesses would gain flexibility in managing their cash-flow, allowing them to invest in rural communities and pass savings on to customers.

The impact of the COVID-19 pandemic has reached every corner of our country, creating financial hardship for communities and businesses in almost every sector of our economy. Rural areas have not been spared, and the crisis has highlighted existing disparities in things like broadband that have made recovery an even larger challenge. At the same time, many member-owned cooperatives and broadband providers have struggled financially as a result of the economic downturn related to the COVID-19 pandemic.

Allowing borrowers to refinance their RUS loans at the current lower interest rates would enable a stronger recovery by providing rural cooperatives and businesses flexibility in managing their cash flow. Some estimates have predicted that this move could save businesses millions per year in debt payments, allowing these companies to invest in electric infrastructure or rural broadband networks in their communities, and pass savings on directly to customers. These investments would be especially vital as rural communities work to recover from the COVID-19 crisis.

The *Flexible Financing for Rural America Act* (S.4152) has been endorsed by the National Rural Electric Cooperative Association (NRECA), an organization that represents almost 900 local electric cooperatives. NTCA—the Rural Broadband Association—which represents nearly 850 independent, community-based companies across the country, also supports the bill.

We urge you to include the *Flexible Financing for Rural America Act* as part of the legislative response to the COVID-19 economic crisis to provide relief for cooperatives that are vital economic engines in rural communities across the country.

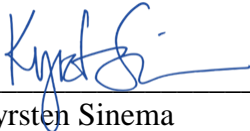
Sincerely,



Tina Smith
United States Senator



Tammy Baldwin
United States Senator



Kyrsten Sinema
United States Senator



Amy Klobuchar
United States Senator



Doug Jones
United States Senator



John Hoeven
United States Senator



Kevin Cramer
United States Senator



John Boozman
United States Senator



Steve Daines
United States Senator

John Cornyn
United States Senator