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**HOEVEN, BOOZMAN, SMITH & SINEMA INTRODUCE FLEXIBLE  
FINANCING FOR RURAL AMERICA ACT**  
**Bipartisan, Bicameral Legislation Would Enable Rural Electric Coops, Telecom  
Providers to Refinance RUS Debt, Support Stronger COVID-19 Recovery**

WASHINGTON – Senators John Hoeven (R-N.D.), John Boozman (R-Ark.), Tina Smith (D-Minn.) and Kyrsten Sinema (D-Ariz.) today introduced the Flexible Financing for Rural America Act, legislation that would allow electric cooperatives and small, rural telecommunications providers to refinance their Rural Utilities Service (RUS) debt at current market rates without penalty. 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.

At the same time, the bill would enable a stronger recovery from the economic challenges of the coronavirus disease 2019 (COVID-19) pandemic. Rural cooperatives and businesses have struggled throughout the pandemic as a result of a decline in electrical consumption from industrial sources and an increase in unpaid bills from customers who have faced financial hardship. Identical legislation was also introduced today in the House by Representatives Vicky Hartzler (R-Mo.) and Tom O’Halloran (D-Ariz.).

“Electric cooperatives and telecommunications providers are critical to the quality of life in rural areas,” **said Senator Hoeven.** “The restrictions on RUS loans hamper the ability of these organizations to cope with the challenges of COVID-19. The Fed reduced interest rates specifically to help businesses through this difficult time, and it makes sense to enable rural electric cooperatives and telecoms to benefit from this important tool, supporting a stronger recovery in our rural communities.”

“Connectivity has long been a struggle for Americans who live in rural areas. COVID-19 has only made that challenge even more difficult to overcome. Our bill gives rural electricity and broadband providers flexibility to meet customers’ needs in these challenging economic times and ensures that rural America will have these vital services to recover and grow when the pandemic is behind us,” **said Senator Boozman.**

“In small towns and rural areas in Minnesota and across the country, electric cooperatives are critical to economic success,” **said Senator Smith.** “I fought to make sure rural electric cooperatives could access the Paycheck Protection Program, and now I’m fighting to make sure they’re able to refinance their Rural Utilities Service (RUS) debt at lower interest rates because we need to do all we can to help cooperatives and communities thrive.”

“Allowing rural utility providers to refinance Rural Utilities Service loans ensures rural Arizona communities continue accessing electric and broadband services during the coronavirus pandemic” **said Senator Sinema.**

Under current law, the RUS charges significant penalties when borrowers refinance their loans—an option which is allowed only under narrow circumstances. Rural electric cooperatives currently hold approximately \$43 billion in RUS Electric Loans, and small, rural broadband providers hold about \$3 billion in RUS Telecom Loans. The savings from the senators’ legislation would amount to approximately \$2 million per year for the average rural electric cooperative, helping to sustain the organizations through current economic challenges and empowering greater investment in local communities.

Here’s what industry stakeholders are saying about the Flexible Financing for Rural America Act:

“America’s electric cooperatives face significant financial shortfalls due to the ongoing pandemic. Despite that, electric cooperatives are working to help their communities by working with co-op consumer-members on extended payment plans, accelerating cash back programs, and expanding broadband access. Economic development has been part of electric co-ops’ DNA for decades and that element of community leadership will be critical as communities rebound from the public health emergency. This essential legislation will give co-ops the flexibility to manage financial shortfalls and focus on the long-term stability of the communities they serve.” – **Jim Matheson, CEO of the National Rural Electric Cooperative Association.**

“Hundreds of NTCA members have answered the call in committing to keep Americans connected in the most rural and remote parts of the country. These companies and cooperatives will of course do everything within their power to keep delivering on the promise of connectivity for the communities in which they live and serve. At the same time, the economic impacts of the ongoing pandemic make it a challenge for smaller rural operators to sustain services. This critical legislation would help many of our members

continue responding to their customers' needs and building Smart Rural Communities<sup>SM</sup> even during this time of crisis.” – **Shirley Bloomfield, CEO of NTCA–The Rural Broadband Association.**

“In North Dakota, more than 250,000 people depend on electric cooperatives to power their homes, farms, schools, businesses and industries. Not only do electric cooperatives provide a critical service, but we are committed to improving the quality of life across rural America. This pandemic has proven how connected we are – when our member-consumers hurt, our communities and cooperatives hurt. We are grateful to Senator Hoeven and the sponsors of this bill. It allows cooperatives the flexibility to restructure current RUS debt and secure unprecedented low interest rates, helping cooperatives maintain their commitment to providing affordable, reliable service and support to rural communities during these uncertain times.” – **Josh Kramer, Executive Vice President and General Manager of the North Dakota Association of Rural Electric Cooperatives.**

“Members of the Broadband Association of North Dakota thank Senator Hoeven for recognizing the harm that Covid-19 has done to the critical infrastructure serving North Dakotans. The ability of locally-owned broadband providers to refinance their loans with USDA's Rural Utility Service will provide much needed relief at a time when customers are demanding more from the Internet backbone and local providers and, at the same time, have less ability to pay their bills. Senator Hoeven's unique knowledge of our industry and the difficulty of bringing world-class broadband throughout rural North Dakota gives him the expertise and knowledge to offer targeted solutions that make the work of BAND members possible.” – **David Crothers, Executive Director of the Broadband Association of North Dakota.**

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