



HRSA Loan Guarantee Program

Bureau of Primary Health Care

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Loan Guarantee Program Team
Bureau of Primary Health Care (BPHC)

Vision: Healthy Communities, Healthy People



Agenda

- Overview of the HRSA Loan Guarantee Program (LGP)
 - Purpose
 - Loan Guarantee Program Eligibility
 - Loan Guarantee Components
- NEPA Requirements
- Application Process
 - Application Process Overview: 3 Phases
 - LGP Application Instructions
 - Application Timeline
- LGP Technical Assistance Resources



HRSA Loan Guarantee Program (LGP) Overview



Purpose of Loan Guarantee Program

- **Facilitates access to capital funding and reduces financing costs** for health centers by guaranteeing up to 80 percent of the principal and interest on loans made by non-Federal lenders to health centers to finance capital infrastructure projects.
- Guaranteed loan funds are not direct loans or grants awarded by HRSA.



Eligibility

APPLICANT ELIGIBILITY

- Eligible applicants must be current Health Center Program awardees receiving operational funding, as defined under section 330 of the [Public Health Services Act](#).
- Health Center Program look-alikes are not eligible.

LENDER ELIGIBILITY

- Eligible lenders are non-Federal lending institutions.
- Must be in good standing with appropriate bank regulators as well as [Community Development Financial Institutions \(CDFI\)](#) certified by US Department of the Treasury.
- Must agree to service the loan, hold the unguaranteed portion (20%) of the loan, and participate in monitoring and reporting activities.

LGP Components

- Eligible Project Costs and Financing
- Loan Terms and Conditions
- Lender Servicing and Monitoring Requirements



Eligible Project Costs - Capital Projects

Construction/Expansion (C/E) activities:

- Construction of a new stand-alone structure
- Expansion of a structure to increase total square footage of facility
- Installation of permanent affixed modular or pre-fabricated facility
- May include moveable equipment

Alteration/Renovation (A/R) activities:

- Work to modernize, improve, and/or reconfigure interior arrangements of existing facility
- Work to improve and/or replace exterior envelope
- Work to improve accessibility
- May include moveable equipment

Eligible Project Costs – Land or Facility Purchases

- Costs to support these purchases must be an authorized part of a C/E and/or A/R project under a HRSA loan guarantee. HRSA guarantees are not eligible for use with tax-exempt bonds.
- Existing facility purchases must result in A/R of a health center medical facility.
 - Must be within HRSA-approved scope of project (consistent with Form 5B: Sites).
 - Applicant must add a new service delivery site to their Health Center Program scope of project through a Change in Scope (CIS) request.



Loan and Term Conditions

- LGP guarantees up to 80% of financing needs for projects.
- The LGP does not prescribe maximum or minimum loan amount limits or specific loan terms or conditions applicable to all loan guarantees.
- HRSA may take into account the adequacy of collateral for the loan agreement in determining whether or not to approve a guarantee.
 - Collateral, for this purpose, may include the proposed C/E or A/R project as well as assets other than those directly financed by the guaranteed loan.
 - Collateral is described in a comprehensive Lender credit analysis that may include a risk assessment.



Lender Servicing and Monitoring Requirements

- All eligible Lenders must agree to service the loan and participate in monitoring and reporting activities throughout the life of the loan.
- Originating Lender for a HRSA-guaranteed loan must:
 - Hold the unguaranteed portion (20 percent) of the loan.
 - Monitor C/E or A/R activities progress to ensure project is developed in accordance with approved plans, specifications, contract documents, and applicable state, local, and federal requirements.
- Health centers with HRSA loan guarantees are required to provide information and data to HRSA on loan and operating performance of site related to the capital project throughout life of the loan.



NEPA Requirements – Environmental Review

- Applicants are required to initiate an environmental review of proposed projects prior to submitting a complete application to HRSA.
- Benefits of review prior to submitting a complete application:
 - Expedites review to ensure timely completion of required reports or consultations to avoid delays in issuing a loan guarantee;
 - Provides clarity on the potential costs involved in mitigating environmental issues, which may impact the project budget; and
 - Avoids delays in closing the project financing.



NEPA Requirements – EID Checklist

- The Environmental Information and Documentation [\(EID\) Checklist](#) serves as HRSA's initial [Environment and Historic Preservation Assessment](#).
 - Captures information required to determine if proposed project may significantly impact the environment, pursuant to the National Environmental Policy Act of 1969 (NEPA).
 - HRSA reviews and may require applicant to obtain and submit a NEPA Environmental Assessment report with their application. Applicant may be required to obtain additional documentation as part of the report from the following:
 - State Historic Preservation Officer (SHPO),
 - Tribal Historic Preservation Officer (THPO),
 - Representatives of the local government, and
 - Other affected Indian tribes and interested parties.



LGP Application Process Overview

3 Phases



Application Process: 3 Phases

1. Pre-Application

- Preliminary Environmental Review
- Targeted TA from HRSA – Optional but suggested
- Identify Basic Project Information – 30 days prior to application submission

Applicant Submits Complete Application

2. Application Review

- Programmatic Review
- Environmental Review
- A/E Reasonableness
- Financial Sustainability and Viability Review

HRSA Issues Guarantee Commitment Letter

3. Loan Closing

- HRSA: Executes Borrower's Agreement & Loan Guarantee Agreement
- Lender: Coordinates closing & document negotiation required for financing
- Lender: Submits Lender's Certification & supporting documents to HRSA

Loan Guarantee Issued by HRSA

Phase 1: Pre-Application

- **Consultation and Technical Assistance (TA)**
 - HRSA encourages all applicants to consult with HRSA LGP staff and the Primary Care Development Corporation prior to your application submission.
 - Consultation with HRSA LGP staff is essential to provide guidance and ensure completeness before submitting your application.
- **Environmental Information Documentation (EID) checklist**
 - Identifies specific environmental issues and project information that must be addressed in the full application.
 - Targeted TA is available for applicants regarding the environmental information included in the EID checklist.



Phase 2: Application Review

- Includes **programmatic, environmental, architectural/engineering (A/E) reasonableness, and financial sustainability and viability reviews** conducted by HRSA and PCDC.
- Includes an **on-site review** to confirm LGP application information and to meet with representatives from applicant and Lender.
- Pending satisfactory completion of all reviews and confirmation has met all HRSA requirements, HRSA will issue to the applicant a conditional **Loan Guarantee Commitment Letter**
 - Conditional commitment for a guarantee to be issued at closing date when applicant satisfies all HRSA requirements and met Lender's closing conditions.



Phase 3: Loan Closing

Lender

- Negotiates final loan terms with applicant, subject to HRSA approval
- Manages and coordinates closing process
- Works with Applicant to submit all financing documents and agreements, terms and conditions
- Submits (before closing date) Lender's Certification
- Reviews (concurrently) HRSA's standard documents for guarantee

HRSA

- Provides standard documents:
 - Loan Guarantee Agreement
 - Applicant (Borrower's) Agreement with Guarantor
- With Lender and Applicant, executes and delivers all financing and guarantee documents

Applicant

- Works with Lender to negotiate loan and guarantee terms and conditions including submitting all financing documents and agreements
- Works with Lender and HRSA to execute and deliver all financing and guarantee documents



LGP Application Instructions

- Available to assist health centers in application process
- Offers a comprehensive overview of:
 - Administrative and Program Policy
 - Submission Requirements
 - Streamlined Technical Review and Guarantee Approval Process
- Available on the [HRSA LGP website](#) or via [direct PDF link](#).



Application Timeline

- Applications received and reviewed on a rolling, year-round basis in the order received.
- Engage in a pre-application consultation with HRSA prior to application submission. Applicants may contact the LGP via email at LGProgram@hrsa.gov or via the Health Center Program Support [web contact form](#).
- Once a complete application is submitted, it takes **approximately 60 days** to adequately review and process an LGP application and issue a Guarantee Commitment Letter.



LGP Technical Assistance (TA) Resources



HRSA Loan Guarantee Program Website

<https://bphc.hrsa.gov/programopportunities/loan-guarantee-program>

The screenshot shows the top navigation bar of the HRSA Health Center Program website. It features the HRSA logo on the left, a search bar with a magnifying glass icon, and a navigation menu with the following items: Program Requirements, Quality Improvement, Program Opportunities (highlighted in dark blue), Health Center Data, Federal Tort Claims Act, and About the Health Center Program. Social media icons for Facebook, YouTube, Instagram, Email, and Twitter are located to the right of the search bar.

[Home](#) > [Program Opportunities](#) > Health Center Facility Loan Guarantee Program

Health Center Facility Loan Guarantee Program



LGP Instructions

Updated to better assist health centers in applying for a HRSA loan guarantee, the LGP Instructions offer a comprehensive overview of administrative and program policy, submission requirements, and the streamlined technical review and guarantee approval process.

[View LGP Instructions](#) (PDF - 787 KB)

The Health Resources and Services Administration (HRSA) Health Center Facility Loan Guarantee Program (LGP) supports loans to eligible Health Center Program awardees for the construction/expansion, alteration/renovation and modernization of health center medical facilities. Eligible health centers must be active Health Center Program awardees, as defined under section 330 of the [Public Health](#)

- Program Resources
- Standard Forms
- Access to General and Targeted Technical Assistance



Targeted TA – Capital Link

- Capital Link is our HRSA partner that provides TA support for capital projects. Capital Link supports HRSA in providing individual technical assistance to applicants to support the understanding of the Loan Guarantee Program as it relates to their planned capital projects and whether/how to apply.
- Visit Capital Link's [webpage](#) for applicant and lender fact sheets.
- Contact the HRSA Loan Guarantee Program at LGProgram@hrsa.gov if you are interested in receiving technical assistance from Capital Link.



Health Center Program Support (HCPS)

The screenshot shows the HRSA website's "Health Center or EHBs Question" form. At the top, it features the U.S. Department of Health and Human Services logo and the HRSA Health Resources & Services Administration name. A search bar is located in the top right. Below the header, there are navigation links for Program Requirements, Quality Improvement, Program Opportunities, Health Center Data, Federal Tort Claims Act, and About the Health Center Program. The main heading is "Health Center or EHBs Question". Below this, there are four blue buttons for selection: "Health Center", "EHBs", "Coronavirus Inquiries (COVID-19)", and "Neither". To the right of these buttons, there is a section titled "Health Center or EHBs Question" with instructions: "Select Health Center if you have a question about how to administer the Health Center Program." and "Select EHBs if you have a question about using the EHBs, e.g. submitting an application or report." There is also a partially visible instruction for "Select Coronavirus Inquiries (COVID-19)".

For more information you can contact the Health Center Program Support:

- Phone: 877-464-4772
- Availability:
7 a.m. to 8 p.m. ET
Monday - Friday
(except federal holidays)

By [Web contact form](#):

- Enter/Confirm your contact information
- Select “Health Center”
- Select BPHC Category: “Loan Guarantee Program”



Thank You!

HRSA Loan Guarantee Program Team

Bureau of Primary Health Care (BPHC)

Health Resources and Services Administration (HRSA)



LGProgram@hrsa.gov

bphc.hrsa.gov



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