



April 7, 2020

Bette Brand  
Deputy Under Secretary Rural Development  
U.S. Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

Dear Ms. Brand:

On March 31, the Missouri Farm Bureau and the Missouri Hospital Association wrote you with an urgent request that payment deferral be granted for hospitals that have loans originated directly by the USDA. We thank you and the Department of Agriculture for creating opportunities for immediate relief for entities with third-party loans guaranteed by the USDA, as verified in the [March 31 Stakeholder Announcement](#) and [fact sheet](#). We urge the same opportunities be extended to hospitals that have loan agreements directly with USDA.

The premise for considering these payment deferrals is the same regardless of the source of the loan. Some hospitals — especially smaller facilities in rural communities — simply do not have sufficient liquidity to bridge immediate cash flow needs until the CARES Act stimulus funding is distributed. These hospitals urgently are seeking options that will help them survive their current and rapidly worsening cash shortfalls, ultimately allowing them to remain a part of the communities they serve. This is essential as the coronavirus continues to migrate from urban to rural communities.

In the absence of payment deferral, hospitals with direct loans will need to tap into debt service reserves, which will call for the agency's flexibility going forward as they work to replenish these reserves all while continuing to focus on the increasing and unforeseen patient care demands brought about by COVID-19 patients.

Any and all efforts that would extend your same policy of deferral of guaranteed loans to direct loans would be of great assistance to rural hospitals in our state as they work to preserve their financial viability in this sudden and extreme national public health emergency.

Sincerely,

Blake Hurst, President  
Missouri Farm Bureau

Herb B. Kuhn, President and CEO  
Missouri Hospital Association

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c Members of the Missouri Congressional Delegation