

From: [REDACTED] Michael - RD, Temple, TX
To: [REDACTED], Angela - RD, McKinney, TX; [REDACTED] Allen - RD, McKinney, TX; [REDACTED] Jerry - RD, Temple, TX
Cc: [REDACTED] Edd - RD, Temple, TX
Subject: RE: City of Hawk Cove
Date: Wednesday, July 31, 2019 5:38:15 PM

Just got off the phone with Ms. Bernardi. Interesting call. She has stated that she has been told that USDA is threatening liens against the property. She said that the city, through the city administrator, has asked her to be their non-attorney representative. She went on and on about the loan projections the delinquency, how the city has no money, and how the mayor increased the rates to a ridiculous level. When she asked about USDA placing liens against the property, I told her we could not do that. Liens could be placed on property by the city for non-payment of taxes. She said "they" said the higher rate is needed to pay towards the debt. Didn't argue that only a small part of the charge is for debt service. She questioned the PER, and the data used back then to underwrite the loan. Questioned the income level and the population figures used at the time the loan was made. Asked about receivership and what would happen with that. Didn't give her any info. She said the system was overbuilt and wanted to speak with the engineer involved with the project. She mentioned that she has contacted all the politicians in her area, Sonny Perdue, and even President Trump.

I told her that the McKinney office was waiting for a call from the Mayor to discuss the options and since she had a line in with the city, she could ask the Mayor to contact the office. She also wanted me to send her a letter regarding the city's situation and what is going to happen. I told her that we would address the city's concerns once we received something from the Mayor.

Thanks.

Michael B. [REDACTED]
Community Programs Director | Texas State Office
Rural Development
United States Department of Agriculture

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From: [REDACTED], Angela - RD, McKinney, TX; [REDACTED]
Sent: Wednesday, July 31, 2019 4:07 PM
To: [REDACTED] Michael - RD, Temple, TX; [REDACTED] Allen - RD, McKinney, TX; [REDACTED] Jerry - RD, Temple, TX; [REDACTED]
Subject: FW: City of Hawk Cove

FYI how would you like to respond, I still have not heard from the Mayor.
