

PART 1940 - GENERAL

Subpart L - Methodology and Formulas for Allocation of Loan and Grant  
Program Funds

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PART 1940 - GENERAL  
 Subpart L - Methodology and Formulas for Allocation  
 of Loan and Grant Program Funds

§1940.551 Purpose and general policy.

(a) The purpose of this subpart is to set forth the methodology and formulas by which the Under Secretary of Rural Development allocates program funds to the States. (The term "State" means any of the States of the United States, the Commonwealth of Puerto Rico, any territory or possession of the United States, or the Western Pacific Areas.) This subpart is inapplicable to Farm Service Agency, Farm Loan Programs. (Revised 01-09-08, PN 417.)

(b) The formulas in this subpart are used to allocate program loan and grant funds to State Offices so that the overall mission of the Agency can be carried out. Considerations used when developing the formulas include enabling legislation, congressional direction, and administration policies. Allocation formulas ensure that program resources are available on an equal basis to all eligible individuals and organizations.

(c) The actual amounts of funds, as computed by the methodology and formulas contained herein, allocated to a State for a funding period, are distributed to each State Office by an exhibit to this subpart. The exhibit is available for review in any Rural Development State Office. The exhibit also contains clarifications of allocation policies and provides further guidance to the State Directors on any suballocation within the State. Rural Development will publish a Notice of Availability of Rural Housing funds in the Federal Register each year. (Revised 01-27-92, SPECIAL PN.)

§1940.552 Definitions.

(a) Amount available for allocations. Funds appropriated or otherwise made available to the Agency for use in authorized programs. On occasion, the allocation of funds to States may not be practical for a particular program due to funding or administrative constraints. In these cases, funds will be controlled by the National Office. (Revised 7-12-88, PN 89.)

(b) Basic formula criteria, data source and weight. Basic formulas are used to calculate a basic State factor as a part of the methodology for allocating funds to the States. The formulas take a number of criteria that reflect the funding needs for a particular program and through a normalization and weighting process for each of the criteria calculate the basic State factor (SF). The data sources used for each criteria are believed to be the most current and reliable information that adequately quantifies the criterion. The weight, expressed as a percentage, gives a relative value to the importance of each of the criteria.

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(c) Basic formula allocation. The result of multiplying the amount available for allocation less the total of any amounts held in reserve or distributed by base or administrative allocation times the basic State factor for each State. The basic formula allocation (BFA) for an individual State is equal to:

$$\text{BFA} = (\text{Amount available for allocation} - \text{NO reserve} \\ - \text{total base and administrative allocations}) \times \text{SF}.$$

(d) Transition formula. A formula based on a proportional amount of previous year allocation used to maintain program continuity by preventing large fluctuations in individual State allocations. The transition formula limits allocation shifts to any particular State in the event of changes from year to year of the basic formula, the basic criteria, or the weights given the criteria. The transition formula first checks whether the current year's basic formula allocation is within the transition range (+ or - percentage points of the proportional amount of the previous year's BFA).

$$\text{Transition Range} = 1.0 + \frac{\text{maximum } 20\%}{100}$$

$$X \frac{(\text{Amount available for allocation this year} \times \text{State previous} \\ (\text{Amount available for allocation previous year}) \text{ year BFA})}{100}$$

If the current year's State BFA is not within this transition range, the State formula allocation is changed to the amount of the transition range limit closest to the BFA amount. After having performed this transition adjustment for each State, the sum of the funds allocated to all States will differ from the amount of funds available for BFA. This difference, whether a positive or negative amount, is distributed to all States receiving a formula allocation by multiplying the difference by the SF. The end result is the transition formula allocation. The transition range will not exceed 40% (+ 20%), but when a smaller range is used it will be stated in the individual program section.

(e) Base allocation. An amount that may be allocated to each State dependent upon the particular program to provide the opportunity for funding at least one typical loan or grant in each Rural Development State, District, or County Office. The amount of the base allocation may be determined by criteria other than that used in the basic formula allocation such as Agency historic data.

(f) Administrative allocations. Allocations made by the Administrator in cases where basic formula criteria information is not available. This form of allocation may be used when the Administrator determines the program objectives cannot be adequately met with a formula allocation.

(g) Reserve. An amount retained under the National Office control for each loan and grant program to provide flexibility in meeting situations of unexpected or justifiable need occurring during the fiscal year. The Administrator may make distributions from this reserve to any State when it is determined necessary to meet a program need or Agency objective. The Administrator may retain additional amounts to fund authorized demonstration programs. When such demonstration programs exist, the information is outlined in Exhibit A of this subpart (available in any Rural Development State Office). (Revised 7-12-88, PN 89)

(h) Pooling of funds. A technique used to ensure that available funds are used in an effective, timely and efficient manner. At the time of pooling those funds within a State's allocation for the fiscal year of portion of the fiscal year, depending on the type of pooling, that have not been obligated by the State are placed in the National Office reserve. The Administrator will establish the pooling dates for each affected program.

(1) Mid-year: This pooling addresses the need to partially redistribute funds based on use/demand. Mid-year pooling occurs near the midpoint of the fiscal year.

(2) Year-end: This pooling is used to ensure maximum use of program funds on a national basis. Year-end pooling usually occurs near the first of August.

(3) Emergency: the Administrator may pool funds at any time that it is determined the conditions upon the initial allocation was based have changed to such a degree that it is necessary to pool funds in order to efficiently carry out the Agency mission.

(i) Availability of the allocation. Program funds are made available to the Agency on a quarterly basis. In the high demand programs, it is necessary that specific instructions be given to the State Offices regarding the amount which is available for obligation during each quarter.

(j) Suballocation by the State Director. Dependent upon the individual program for which funds are being allocated, the State Director may be directed or given the option of suballocating the State allocation to District or County Offices. When suballocating the State Director may retain a portion of the funds in a State Office reserve to provide flexibility in situations of unexpected or justified need. When performing a suballocation the State Director will use the same formula, criteria and weights as used by the National Office.

(k) Other documentation. Additional instructions given to field offices regarding allocations.

§§1940.553 - 1940.559 [Reserved]

(Continued on page 13)

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(Revision 2)

(7-12-85) SPECIAL PN

§ 1940.560 Guarantee Rural Rental Housing Program.  
(Added 12-18-98, SPECIAL PN)

When funding levels are under \$100,000,000, all funds will all be held in a National Office reserve and made available administratively in accordance with the Notice of Funding Availability (NOFA) and program regulations. When program levels are sufficient for a nationwide program, funds are allocated based upon the following criteria and weights.

(a) Amount available for allocations. See § 1940.552(a) of this subpart.

(b) Basic formula criteria, data source and weight. See § 1940.552(b) of this subpart. Each factor will receive a weight respectively of 40%, 40% and 20%. The criteria used in the basic formula are:

(1) State's percentage of National rural population,

(2) State's percentage of the National number of rural households between 50 and 115 percent of the area median income, and

(3) State's percentage of National average cost per unit. Data source for the first two of these criterion are based on the latest census data available. The third criterion is based on the cost per unit data using the applicable maximum per unit dollar amount limitations under section 207(c) of the National Housing Act, which can be obtained from the Department of Housing and Urban Development. The percentage representing each criterion is multiplied by the weight assigned and totaled to arrive at a State factor.

RD Instruction 1940-L  
§ 1940.560(b)(3) (Con.)

State Factor = (criterion No. 1 x weight of 40%)+  
(criterion No. 1 x weight of 40%)+  
(criterion No. 1 x weight of 20%)

- (c) Basic formula allocation. See § 1940.552(c).
- (d) Transition formula. See § 1940.552(d).
- (e) Base allocation. See § 1940.552(e). Jurisdictions receiving administrative allocations do not receive base allocations.
- (f) Administrative allocations. See § 1940.552(f). Jurisdictions receiving formula allocations do not receive administrative allocations.
- (g) Reserve. See § 1940.552(g).
- (h) Pooling of funds. See § 1940.552(h).
- (i) Availability of the allocation. See § 1940.552(i).
- (j) Suballocation by the State Director. See § 1940.552(j).
- (k) Other documentation. Not applicable.

§§ 1940.561 - 1940.562 [Reserved]

§ 1940.563 Section 502 non-subsidized guaranteed Rural Housing (RH) loans.  
(Added 03-13-91, PN 159.)

- (a) Amount available for allocations. See § 1940.552(a) of this subpart.
- (b) Basic formula criteria, data source and weight. See § 1940.552(b) of this subpart. The criteria used in the basic formula are:
  - (1) State's percentage of the National number of rural occupied substandard units,
  - (2) State's percentage of the National rural population in places of less than 2,500 population,
  - (3) State's percentage of the national number of rural households between 80 and 100 percent of the area median income, and

§ 1940.563(b) (Con.)

(4) State's percentage of the national number of rural renter households paying more than 35 percent of income for rent. Data source for each of these criteria is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a basic State factor (SF) as follows:

$$\begin{aligned} \text{SF} = & (\text{criterion 1 x weight of 30 \%}) + \\ & (\text{criterion 2 x weight of 10 \%}) + \\ & (\text{criterion 3 x weight of 30 \%}) + \\ & (\text{criterion 4 x weight of 30 \%}) \end{aligned}$$

(c) Basic formula allocation. See § 1940.552(c) of this subpart.

(d) Transitional formula. See § 1940.552(d) of this subpart. The percentage range used for Section 502 guaranteed RH loans is plus or minus 15.

(e) Base allocation. See § 1940.552(e) of this subpart. Jurisdictions receiving administrative allocations do not receive base allocations.

(f) Administrative allocations. See § 1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.

(g) Reserve. See § 1940.552(g) of this subpart.

(h) Pooling of funds. See § 1940.552(h) of this subpart.

(1) Mid-year: If used in a particular fiscal year, available funds unobligated as of the pooling date are pooled and redistributed based on the formula used to allocate funds initially.

(2) Year-end: Pooled funds are placed in a National Office reserve and are available as determined administratively.

(i) Availability of the allocation. See § 1940.552(i) of this subpart.

(j) Suballocation by the State Director. See § 1940.552(j) of this subpart. Annually, the Administrator will advise State Director's whether or not suballocation within the State Office jurisdiction will be required for the guaranteed housing program.

(k) Other documentation. Not applicable.



§ 1940.564 Section 502 subsidized guaranteed Rural Housing (RH) loans.  
(Added 03-13-91, PN 159.)

- (a) Amount available for allocations. See § 1940.552(a) of this subpart.
- (b) Basic formula criteria, data source and weight. See § 1940.552(b) of this subpart. The criteria used in the basic formula are:
- (1) State's percentage of the National number of rural occupied substandard units,
  - (2) State's percentage of the National rural population in places of less than 2,500 population,
  - (3) State's percentage of the national number of rural households below 80 percent of the area median income, and
  - (4) State's percentage of the national number of rural renter households paying more than 35 percent of income for rent. Data source for each of these criteria is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a basic State factor (SF) as follows:  
$$\text{SF} = (\text{criterion 1} \times \text{weight of 30 \%}) +$$
$$(\text{criterion 2} \times \text{weight of 10 \%}) +$$
$$(\text{criterion 3} \times \text{weight of 30 \%}) +$$
$$(\text{criterion 4} \times \text{weight of 30 \%})$$
- (c) Basic formula allocation. See § 1940.552(c) of this subpart.
- (d) Transitional formula. See § 1940.552(d) of this subpart. The percentage range used for Section 502 guaranteed RH loans is plus or minus 15.
- (e) Base allocation. See § 1940.552(e) of this subpart. Jurisdictions receiving administrative allocations do not receive base allocations.
- (f) Administrative allocations. See § 1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.
- (g) Reserve. See § 1940.552(g) of this subpart.

§ 1940.564 (Con.)

(h) Pooling of funds. See § 1940.552(h) of this subpart.

(1) Mid-year: If used in a particular fiscal year, available funds unobligated as of the pooling date are pooled and redistributed based on the formula used to allocate funds initially.

(2) Year-end: Pooled funds are placed in a National Office reserve and are available as determined administratively.

(i) Availability of the allocation. See § 1940.552(i) of this subpart.

(j) Suballocation by the State Director. See § 1940.552(j) of this subpart. Annually, the Administrator will advise State Director's whether or not suballocation within the State Office jurisdiction will be required for the guaranteed housing program.

(k) Other documentation. Not applicable.

§1940.565 Section 502 subsidized Rural Housing loans.

(a) Amount available for allocations. See §1940.552(a) of this subpart.

(b) Basic formula criteria, data source and weight. See §1940.552(b) of this subpart. The criteria used in the basic formula are:

(1) State's percentage of the National number of rural occupied substandard units,

(2) State's percentage of the National rural population,

(3) State's percentage of the National rural population in places of less than 2,500 population,

(4) State's percentage of the National number of rural households between 50 and 80 percent of the area median income, and

(5) State's percentage of the National number of rural households below 50 percent of the area median income.

Data source for each of these criteria is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a basic State factor (SF)

$$\begin{aligned} SF = & (\text{criterion 1 x weight of 25\%}) + \\ & (\text{criterion 2 x weight of 10\%}) + \\ & (\text{criterion 3 x weight of 15\%}) + \\ & (\text{criterion 4 x weight of 30\%}) + \\ & (\text{criterion 5 x weight of 20\%}) \end{aligned}$$

(c) Basic formula allocation. See §1940.552(c) of this subpart.

(d) Transition formula. See §1940.552(d) of this subpart. The percentage range used for Section 502 subsidized RH loans is plus or minus 15.

(e) Base allocation. See §1940.552(e) of this subpart. Jurisdictions receiving administrative allocations do not receive base allocations.

(f) Administrative allocations. See §1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.

(g) Reserve. See §1940.552(g) of this subpart.

(h) Pooling of funds. See §1940.552(h) of this subpart.

(1) Mid-year: If used in a particular fiscal year, available funds unobligated as of the pooling date are pooled and redistributed based on the formula used to allocate funds initially.

(2) Year-end: Pooled funds are placed in a National Office reserve and are available as determined administratively.

(i) Availability of the allocation. See §1940.552(i) of this subpart.

(j) Suballocation by the State Director. See §1940.552(j) of this subpart. The State Director will suballocate funds to the District Offices and may, at his/her option, suballocate to the County Offices. The State Director will use the same basic formula criteria, data source and weight for suballocating funds within the State as used by the National Office in allocating to the States as described in §1940.565(b) and (c) of this section. The suballocations to District or County Offices will not be reduced or restricted unless written approval is received from the National Office in response to a written request from the State Director. The State Director's request must include the reasons for the requested action (e.g., high housing inventory and/or high housing delinquency).

(k) Other documentation. The percentage distribution of funds to the States by income levels is based on prevailing legislation.

§1940.566 Section 504 Housing Repair loans.

(a) Amount available for allocations. See §1940.552(a) of this subpart.

(b) Basic formula criteria, data source and weight. See §1940.552(b).  
The criteria used in the basic formula are:

(1) State's percentage of the National number of rural occupied substandard units, and

(2) State's percentage of the National number of rural households below 50 percent of area median income.

Data source for each of these criteria is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a basic State factor (SF).

$$SF = (\text{criterion No. 1} \times \text{weight of 50\%}) + (\text{criterion No. 2} \times \text{weight of 50\%})$$

(c) Basic formula allocation. See §1940.552(c) of this subpart.

(d) Transition formula. See §1940.552(d) of this subpart. The percentage range used for Section 504 Housing Repair Loans is plus or minus 15.

(e) Base allocation. Not used.

(f) Administrative allocations. See §1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.

(g) Reserve. See §1940.552(g) of this subpart.

(h) Pooling of funds. See §1940.552(h) of this subpart.

(1) Mid-year: If used in a particular fiscal year, available funds unobligated as of the pooling date are pooled and redistributed based on the formula used to allocate funds initially.

(2) Year-end: Pooled funds are placed in a National Office reserve and are available as determined administratively.

(i) Availability of the allocation. See §1940.552(i) of this subpart.

(j) Suballocation by the State Director. See §1940.552(j) of this subpart. At the option of the State Director, Section 504 loan funds may be suballocated to the District Offices. When performing a suballocation, the State Director will use the same basic formula criteria, data source and weight for suballocating funds within the State as used by the National Office in allocating to the States as described in §1940.566(b) and (c) of this section.

(k) Other documentation. Not applicable.

§1940.567 Section 504 Housing Repair grants.

(a) Amount available for allocations. See §1940.552(a) of this subpart.

(b) Basic formula criteria, data source and weight. See §1940.552(b) of this subpart. The criteria used in the basic formula are:

(1) State's percentage of the National number of rural occupied substandard units,

(2) State's percentage of the National rural population 62 years and older, and

(3) State's percentage of the National number of rural households below 50 percent of area median income.

Data source for each of these criteria is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a basic State factor (SF).

$$\begin{aligned} \text{SF} = & (\text{criterion No. 1} \times \text{weight of } 33 \frac{1}{3}\%) + \\ & (\text{criterion No. 2} \times \text{weight of } 33 \frac{1}{3}\%) + \\ & (\text{criterion No. 3} \times \text{weight of } 33 \frac{1}{3}\%) \end{aligned}$$

(c) Basic formula allocation. See §1940.552(c) of this subpart.

(d) Transition formula. See §1940.552(d) of this subpart. The percentage range used for Section 504 Housing Repair grants is plus or minus 15.

(e) Base allocation. Not used.

(f) Administrative allocations. See §1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.

(g) Reserve. See §1940.552(g) of this subpart.

(h) Pooling of funds. See §1940.552(h) of this subpart.

(1) Mid-year: If used in a particular fiscal year, available funds unobligated as of the pooling date are pooled and redistributed based on the formula used to allocate funds initially.

(2) Year-end: Pooled funds are placed in a National Office reserve and are available as determined administratively.

- (i) Availability of the allocation. See §1940.552(i) of this subpart.
- (j) Suballocation by the State Director. See §1940.552(j) of this subpart. At the option of the State Director, Section 504 grant funds may be suballocated to the District Offices. When performing a suballocation, the State Director will use the same basic formula criteria, data source and weight for suballocating funds within the State as used by the National Office in allocating to the States as described in §1940.567(b) and (c) of this section.
- (k) Other documentation. Not applicable.



§1940.568 Single Family Housing programs appropriations not allocated by State. The following program funds are kept in a National Office reserve and are available as determined administratively:

- (a) Section 523 Self-Help Technical Assistance Grants.
- (b) Section 523 Land Development Fund.
- (c) Section 524 Rural Housing Site Loans.
- (d) Section 509 Compensation for Construction Defects.
- (e) Section 502 Nonsubsidized Funds.

§§1940.569 - 1940.574 Reserved.

§1940.575 Section 515 Rural Rental Housing (RRH) loans. (Revised 7-12-88, PN 89)

- (a) Amount available for allocations. See §1940.552 (a) of this subpart.
- (b) Basic formula criteria, data source and weight. See §1940.552 (b) of this subpart.

The criteria used in the basic formula are:

- (1) State's percentage of National rural population,
- (2) State's percentage of National number of rural occupied substandard units, and
- (3) State's percentage of National rural families with incomes below the poverty level.

Data source for each of these criterion is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight assigned and summed to arrive at a State factor (SF).

$$\text{SF} = (\text{criterion No. 1} \times \text{weight of } 33 \frac{1}{3}\%) +$$
$$(\text{criterion No. 2} \times \text{weight of } 33 \frac{1}{3}\%) +$$
$$(\text{criterion No. 3} \times \text{weight of } 33 \frac{1}{3}\%)$$

- (c) Basic formula allocation. See §1940.552 (c) of this subpart.
- (d) Transition formula. See §1940.552 (d) of this subpart.
- (e) Base allocation. See §1940.552 (e) of this subpart. Jurisdictions receiving administrative allocations do not receive base allocations.
- (f) Administrative allocations. See §1940.552 (f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.
- (g) Reserve. See §1940.552 (g) of this subpart.
- (h) Pooling of funds. See §1940.552 (h) of this subpart.
- (i) Availability of the allocation. See §1940.552 (i) of this subpart.
- (j) Suballocation by the State Director. See §1940.552 (j) of this subpart.
- (k) Other documentation. Not applicable.

§1940.576 Rental Assistance (RA) for new construction. (Revised 7-12-88, PN 89)

- (a) Amount available for allocations. See §1940.552 (a) of this subpart.
- (b) Basic formula criteria, data source and weight. See §1940.575 (b) of this subpart.
- (c) Basic formula allocation. See §1940.552 (c) of this subpart.
- (d) Transition formula. See §1940.552 (d) of this subpart.
- (e) Base allocation. See §1940.552 (e) of this subpart.
- (f) Administrative allocations. See §1940.552 (f) of this subpart. Jurisdictions receiving formula allocations do not receive administrative allocations.
- (g) Reserve. See §1940.552 (g) of this subpart.
- (h) Pooling of funds. See §1940.552 (h) of this subpart.
- (i) Availability of the allocation. See §1940.552 (i) of this subpart.
- (j) Suballocation by the State Director. See §1940.552 (j) of this subpart.
- (k) Other documentation. Not applicable.

§1940.577 Rental Assistance (RA) for existing projects.

(a) Amount available for allocations. See §1940.552 (a) of this subpart. RA appropriated for existing projects will first be used to replace contracts expiring each fiscal year and for the first few months of the following fiscal year. This is done to assure continued RA funding. RA units not needed for replacement purposes will be used for existing multiple family housing projects experiencing servicing problems.

(b) Basic formula criteria, data source and weight. No formula or weighted criteria is used to allocate replacement RA. The basic allocation for replacement RA will be made based on the following:

(1) Criteria. This allocation is based on the estimated need to replace RA contracts expiring from the depletion of funds.

(2) Data source. The most accurate and current information available from Rural Development computerized data sources.

(c) Basic formula allocation. While no formula will be used, the basic allocation will be made to each State according to the need determined using the basic criteria.

(d) Transition formula. Not applicable.

(e) Base allocation. Not applicable.

(f) Administrative allocation. Not applicable.

(g) Reserve. See §1940.5522 (g) of this subpart. The National Office maintains a reserve adequate to compensate for the differences between actual and projected replacement activity. Units will be administratively distributed for existing housing to either satisfy previously unidentified replacement needs or address servicing situations. Units will be distributed to any State when the Administrator determines that additional allocations are necessary and appropriate.

(h) Pooling of funds. See §1940.552 (h) of this subpart. Units will be pooled at the Administrator's discretion.

(i) Obligation of the allocation. See §1940.552 (i) of this subpart. (Revised 7-12-88, PN 89)

(j) Suballocation by the State Director. See §1940.552 (j) of this subpart.

(k) Other documentation. Not applicable.

§1940.578 Housing Preservation Grant (HPG) program. (Revised 7-12-88, PN 89)

- (a) Amount available for allocations. See §1940.552 (a) of this subpart.
- (b) Basic formula criteria, data source and weight. See §1940.575 (b) of this subpart.
- (c) Basic formula allocation. See §1940.552 (c) of this subpart.
- (d) Transition formula. See §1940.552 (d) of this subpart.
- (e) Base allocation. See §1940.552 (e) of this subpart.
- (f) Administrative allocations. See §1940.552 (f) of this subpart.
- (g) Reserve. See §1940.552 (g) of this subpart.
- (h) Pooling of funds. See §1940.552 (h) of this subpart. Funds may be pooled after all HPG applications have been received and HPG fund demand by State has been determined. Pooled funds will be combined with the National Office reserve to fund eligible projects. Remaining HPG funds will be available for distribution for use under the Section 504 program.
- (i) Availability of the allocation. See §1940.552 (i) of this subpart.
- (j) Suballocation by the State Director. Not applicable.
- (k) Other documentation. Funds for the HPG program will be available for a limited period each fiscal year. Due to the requirements by law to allocate funds on a formula basis to all States and to have a competitive selection process for HPG project selection, Rural Development will announce opening and closing dates for receipt of HPG applications. After the closing date, Rural Development will review and evaluate the proposals, adjust State allocations as necessary to comply with the law and Program demand, and redistribute remaining unused HPG resources for use under Section 504 (as required by statute).

§ 1940.579 Multiple Family Housing appropriations not allocated by State.  
(Revised 06-07-99, SPECIAL PN.)

Funds are not allocated to States. The following program funds are kept in a National Office reserve and are available as determined administratively:

- (a) Section 514 Farm Labor Housing Loans.
- (b) Section 516 Farm Labor Housing Grants.

§§ 1940.580 - 1940.584 [Reserved]

(Continued on page 29)

§ 1940.585 Community Facility loans.

(a) Amount available for allocations. See §1940.552(a) of this subpart.

(b) Basic formula criteria, data source and weight. See §1940.552(b) of this subpart. (Revised 10-22-93, SPECIAL PN.)

(1) The criteria used in the basic formula are:

(i) State's percentage of national rural population - 50 percent.

(ii) State's percentage of national rural population with incomes below the poverty level - 25 percent.

(iii) State's percentage of national nonmetropolitan unemployment - 25 percent.

(2) Data source for each of these criterion is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a State factor (SF). The SF cannot exceed .05.

$$\text{SF} = (\text{criterion (b)(1)(i) x 50 percent}) + \\ (\text{criterion (b)(1)(ii) x 25 percent}) + \\ (\text{criterion (b)(1)(iii) x 25 percent})$$

(c) Basic formula allocation. See §1940.552(c) of this subpart. States receiving administrative allocations do not receive formula allocations.

(d) Transition formula. See §1940.552(d) of this subpart. The percentage range for the transition formula equals 30 percent (+ 15%).

(e) Base allocation. See §1940.552(e) of this subpart. States receiving administrative allocations do not receive base allocations.

(f) Administrative allocation. See §1940.552(f) of this subpart. States participating in the formula base allocation procedures do not receive administrative allocations.

(g) Reserve. See §1940.552(g) of this subpart. States may request funds by forwarding a completed copy of Guide 26 of Subpart A of Part 1942 of this chapter (available in any Rural Development office), to the National Office. Generally, a request for additional funds will not be honored unless the State has insufficient funds to obligate the loan requested.

(h) Pooling of funds. See §1940.552(h) of this subpart. Funds are generally pooled at mid-year and year-end. Pooled funds will be placed in the National Office reserve and will be made available administratively.

(i) Availability of the allocation. See §1940.552(i) of this subpart. The allocation of funds is made available for States to obligate on an annual basis although the Office of Management and Budget apportions it to the Agency on a quarterly basis.

(j) Suballocation by the State Director. See §1940.552(j) of this subpart. State Director has the option to suballocate to District Offices.

(k) Other documentation. Not applicable.

§§1940.586 - 1940.587 [Reserved]

§ 1940.588 Business and Industry Guaranteed and Direct Loans, Rural Business Enterprise Grants, Rural Business Opportunity Grants, and Intermediary Relending Program. (Revised 02-22-16, PN 484).

The Agency will allocate funds to the States each Federal fiscal year for the programs identified in this section using the procedures specified in paragraph (a) of this section. If the Agency determines that it will not allocate funds to the States for a program identified in this section in a particular Federal fiscal year, the Agency will announce this decision in a notice published in the Federal Register. The conditions under which the Agency will not allocate a program's funds to the States are identified in paragraph (b) of this section.

(a) Procedures for allocating funds to the States. Each Federal fiscal year, the Agency will use the amount available to the program and the procedures identified in paragraphs (a)(2) through (10) of this section to determine the amount of program funds to allocate to each of the States. The Agency will make the allocation calculation each Federal fiscal year.



## § 1940.588(a) (Con.)

(1) Amount available for allocations. See § 1940.552(a) of this subpart.

(2) Basic formula criteria, data source and weight. See § 1940.552(b) of this subpart.

(i) The criteria used in the basic formula are:

(A) State's percentage of national rural population.

(B) State's percentage of national rural population with incomes below the poverty level.

(C) State's percentage of national nonmetropolitan unemployment.

(ii) The data sources for each of the criteria identified in paragraph (a) of this section are:

(A) For the criterion specified in paragraph (a)(2)(i)(A), the most recent decennial Census data.

(B) For the criterion specified in paragraph (a)(2)(i)(B), 5-year income data from the American Community Survey (ACS) or, if needed, other Census Bureau data.

(C) For the criterion specified in paragraph (a)(2)(i)(C), the most recent Bureau of Labor Statistics data.

(iii) Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a State factor (SF). The SF cannot exceed .05. The Agency may elect to use different weight factors than those identified in this paragraph by publishing a timely notice in the Federal Register.

$$\text{SF} = (\text{criterion (a)(2)(i)(A) x 25 percent}) + \\ (\text{criterion (a)(2)(i)(B) x 50 percent}) + \\ (\text{criterion (a)(2)(i)(C) x 25 percent})$$

(iv) The Agency will recalculate, as necessary, each criterion specified in paragraph (a)(2)(i) of this section each year. In making these recalculations, the Agency will use the most recent data available to the Agency as of October 1 of the fiscal year for which the Agency is making State allocations. Each criterion's value determined at the beginning of a fiscal year for a program will be used for that entire fiscal year, regardless of when that fiscal year's funding becomes available for the program.

- (3) Basic formula allocation. See § 1940.552(c) of this subpart.
  - (4) Transition formula. The transition provisions specified in § 1940.552(d) of this subpart apply to the programs identified in this section except as follows:
    - (i) The transition formula will be used only when the weight factors identified in paragraph (a)(2)(iii) of this section are modified; and
    - (ii) When the transition formula is used, there will be no upper limitation on the amount that a State's allocation can increase over its previous year's allocation and the maximum percentage that funding will be allowed to decrease for a State will be 10 percent from its previous year's allocation.
  - (5) Base allocations. See § 1940.552(e) of this subpart.
  - (6) Administrative allocations. See § 1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive initial administrative allocations.
  - (7) Reserve. See § 1940.552(g) of this subpart.
  - (8) Pooling of funds. See § 1940.552(h) of this subpart.
  - (9) Availability of the allocation. See § 1940.552(i) of this subpart.
  - (10) Suballocation by the State Director. Suballocation by the State Director is authorized for each program covered by this section.
- (b) Conditions for not allocating program funds to the States. The Agency may elect to not allocate program funds to the States whenever one of the conditions identified in paragraphs (b)(1) or (b)(2) of this section occurs. (Revised 02-22-16, PN 484).
- (1) Funds allocated in a fiscal year to a program identified in this section are insufficient, as provided for in § 1940.552(a) of this subpart.
  - (2) The Agency determines that it is in the best financial interest of the Federal Government not to make a State allocation for any program identified in this section and that the exercise of this determination is not in conflict with applicable law.

§ 1940.589 Rural Energy for America Program. (Revised 02-22-16, PN 484).

The Agency will allocate funds to the States each Federal fiscal year for renewable energy system and energy efficiency improvement projects under the Rural Energy for America Program (REAP) using the procedures specified in paragraph (a) of this section. If the Agency determines that it will not allocate funds to the States for REAP in a particular Federal fiscal year, the Agency will announce this decision in a notice published in the Federal Register. The conditions under which the Agency will not allocate the program's funds to the States are identified in paragraph (b) of this section.

(a) Procedures for allocating funds to the States. Each Federal fiscal year, the Agency will use the amount available to the program and the procedures identified in paragraphs (a)(2) through (10) of this section to determine the amount of program funds to allocate to each of the States. The Agency will make this calculation each Federal fiscal year.

(1) Amount available for allocations. See § 1940.552(a) of this subpart.

(2) Basic formula criteria, data source and weight. See § 1940.552(b) of this subpart.

(i) The criteria used in the basic formula are:

(A) State's percentage of national rural population.

(B) State's percentage of national rural population with incomes below the poverty level.

(C) State's percentage of energy cost.

(ii) The data sources for each of the criteria identified in paragraph (a)(2)(i) of this section are:

(A) For the criterion specified in paragraph (a)(2)(i)(A), the most recent decennial Census data.

(B) For the criterion specified in paragraph (a)(2)(i)(B), 5-year income data from the American Community Survey (ACS) or, if needed, other Census Bureau data.

(C) For the criterion specified in paragraph (a)(2)(i)(C), the most recent U.S. Energy Information Administration data.

(iv) The Agency will recalculate, as necessary, each criterion specified in paragraph (a)(2)(i) of this section each year. In making these recalculations, the Agency will use the most recent data available to the Agency as of October 1 of the fiscal year for which the Agency is making State allocations. Each criterion's value determined at the beginning of a fiscal year for a program will be used for that entire fiscal year, regardless of when that fiscal year's funding becomes available for the program.

(3) Basic formula allocation. See § 1940.552(c) of this subpart.

(4) Transition formula. The transition provisions specified in § 1940.552(d) of this subpart apply to the program(s) identified in this section except as follows:

(i) The transition formula will be used only when the weight factors identified in paragraph (a)(2)(iii) of this section are modified; and

(ii) When the transition formula is used, there will be no upper limitation on the amount that a State's allocation can increase over its previous year's allocation and the maximum percentage that funding will be allowed to decrease for a State will be 10 percent from its previous year's allocation.

(5) Base allocation. See § 1940.552(e) of this subpart.

(6) Administrative allocation. See § 1940.552(f) of this subpart. Jurisdictions receiving formula allocations do not receive initial administrative allocations.

(7) Reserve. See § 1940.552(g) of this subpart.

(8) Pooling of funds. See § 1940.552(h) of this subpart.

(9) Availability of the allocation. See § 1940.552(i) of this subpart.

(10) Suballocation by the State Director. Suballocation by the State Director is authorized for this program.

(b) Conditions for not allocating program funds to the States. The Agency may elect to not allocate REAP program funds to the States whenever one of the conditions identified in paragraphs (b)(1) or (b)(2) of this section occurs.

(1) Funds allocated in a fiscal year to REAP are insufficient, as provided for in § 1940.552(a) of this subpart.

(2) The Agency determines that it is in the best financial interest of the Federal Government not to make a State allocation for REAP and that the exercise of this determination is not in conflict with applicable law.

§ 1940.590 Community and Business Programs appropriations not allocated by State. (Revised and renumbered 7-12-88, PN 89.)

(a) Watershed Protection Loans, Resource Conservation and Development Loans, and Flood Protection Loans. State allocations will not be made for these type loans. Instead, obligating documents may be submitted to the Finance Office when a loan is approved. Only States that are authorized to process P.L. 534 loans may submit obligating documents to the Finance Office for that type loan. Resource Conservation and Development (RC&D) loan funds will be used in preference to community facility funds in designated RC&D areas for loan purposes included in Subpart A of Part 1942 of this chapter.

(b) Indian Land Acquisition. Control of funds will be retained in the National Office and allocated on an individual case basis. Requests for funds will be made to the Director, Community Facilities Division, when it is determined the loan can be approved.

(c) Nonprofit National Corporation Guaranteed Loans and Grants. Control of funds will be retained in the National Office. These funds are not available for obligation by States.

(d) Rural Development Loan Fund Relending Program. Control of funds will be retained in the National Office. These funds are not available for obligation by States.

(e) Technical Assistance and Training Grants. Control of funds will be retained in the National Office and allocated on a project case basis. These funds are not available for obligation by States.

(f) Emergency Community Water Assistance Grants. Control of funds will be retained in the National Office and allocated on a project case basis. Requests for funds will be made to the Director, Water and Waste Disposal Division. (Added 4-4-90, SPECIAL PN.)

(g) System for Delivery of Certain Rural Development Programs Panel Grants. Control of funds will be retained in the National Office and made available to eligible States. (Added 05-06-92, SPECIAL PN.)

(h) Television Demonstration Grants. Since this is a demonstration program, all funds are being retained in the National Office. Funds may be requested by sending in attachment 1, section C of RD Instruction 1942-G. (Added 08-20-92, SPECIAL PN.)

(i) Section 306C WWD loans and grants in subpart E of part 4284 of this title. Control of funds will be retained in the National Office and allocated on a project case basis. Requests for funds will be made to the Director, Water and Waste Disposal Division. (Added 01-22-93, SPECIAL PN.)

(j) Rural Cooperative Development Grants. Control of funds will be retained in the National Office and allocated on a project case basis. Funds may be requested by sending in exhibit B of RD Instruction 4284-F. (Revised 08-07-97, SPECIAL PN.)

§ 1940.591 Community Program Guaranteed loans. (Revised 3-26-90, SPECIAL PN.)

(a) Amount available for allocations. See § 1940.552(a) of this subpart.

(b) Basic formula criteria, data source, and weight. See § 1940.552(b) of this subpart. (Revised 10-22-93, SPECIAL PN.)

(1) The criteria used in the basic formula are:

(i) State's percentage of national rural population - 50 percent.

(ii) State's percentage of national rural population with incomes below the poverty level - 25 percent.

(iii) State's percentage of national nonmetropolitan unemployment - 25 percent.

## § 1940.591(b) (Con.)

(2) Data source for each of these criterion is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a State factor (SF). The SF cannot exceed .05.

$$\text{SF} = (\text{criterion (b)(1)(i) x 50 percent}) + \\ (\text{criterion (b)(1)(ii) x 25 percent}) + \\ (\text{criterion (b)(1)(iii) x 25 percent})$$

(c) Basic formula allocation. See § 1940.552(c) of this subpart. States receiving administrative allocations do not receive formula allocations.

(d) Transition formula. The transition formula for Community Programs Guaranteed loans is not used. (Revised 3-26-90, SPECIAL PN.)

(e) Base allocation. See § 1940.552(e) of this subpart. States receiving administrative allocations do not receive base allocations.

(f) Administrative allocation. See § 1940.552(f) of this subpart. States participating in the formula base allocation procedures do not receive administrative allocations.

(g) Reserve. See § 1940.552(g) of this subpart. States may request funds by forwarding a request following the format found in Guide 26 of subpart A of Part 1942 of this chapter to the National Office. Generally, a request for additional funds will not be honored unless the State has insufficient funds from the State's allocation to obligate the loan requested. (Revised 3-26-90, SPECIAL PN.)

(h) Pooling of funds. See § 1940.552(h) of this subpart. Funds are generally pooled at mid-year and year-end. Pooled funds will be placed in the National Office reserve and will be made available administratively.

(i) Availability of the allocation. See §1940.552(i) of this subpart. The allocation of funds is made available for States to obligate on an annual basis although the Office of Management and Budget apportions it to the Agency on a quarterly basis.

(j) Suballocation by State Director. See §1940.552(j) of this subpart. State Director has the option to suballocate to District Offices.

(k) Other documentation. Not applicable.

§ 1940.592 Community Facilities Grants. (Added 04-07-97, SPECIAL PN.)

(a) Amount available for allocation. See § 1940.552(a) of this subpart.

(b) Basic formula criteria, data source, and weight. See § 1940.552(b) of this subpart.

(1) The criteria used in the basic formula are:

(i) State's percentage of National rural population - 50 percent.

(ii) State's percentage of National rural population with incomes below the poverty level - 50 percent.

(2) Data source for each of these criterion is based on the latest census data available. Each criterion is assigned a specific weight according to its relevance in determining need. The percentage representing each criterion is multiplied by the weight factor and summed to arrive at a State factor (SF).

$$\begin{aligned} \text{SF} & \quad (\text{criterion (b)(1)(i) x 50 percent}) \\ & \quad + (\text{criterion (b)(1)(ii) x 50 percent}) \end{aligned}$$

(c) Basic formula allocation. See § 1940.552(c) of this subpart. States receiving administrative allocations do not receive formula allocations.

(d) Transition formula. The transition formula for Community Facilities Grants is not used.

(e) Base allocation. See § 1940.552(e) of this subpart. States receiving administrative allocations do not receive base allocations.

(f) Administrative allocation. See § 1940.552(f) of this subpart. States participating in the formula base allocation procedures do not receive administrative allocations.

(g) Reserve. See § 1940.552(g) of this subpart. States may request funds by forwarding Form Letter RD 3570-B-1 to the National Office. Generally, a request for additional funds will not be honored unless the State has insufficient funds from the State's allocation to obligate the grant requested.



## § 1940.592 (Con.)

(h) Pooling of funds. See § 1940.552(h) of this subpart. Funds are generally pooled at midyear and yearend. Pooled funds will be placed in the National Office reserve and will be made available administratively.

(i) Availability of the allocation. See § 1940.552(i) of this subpart. The allocation of funds is made available for States to obligate on an annual basis although the Office of Management and Budget apportions it to the Agency on a quarterly basis.

(j) Suballocation by State Director. See § 1940.552(j) of this subpart. State Director has the option to suballocate to area offices.

§ 1940.593 Other Rural Business-Cooperative Service Programs. (Revised 02-22-16, PN 484).

If the Agency determines that it is in the best interest of the Federal government to allocate funds to States for existing RBS programs other than those identified in §§ 1940.588 and 1940.589 of this subpart and for programs new to RBS (e.g., through new legislation), the Agency will use the process identified in paragraph (a) or (b) of this section.

(a) If the Agency determines that one of the State allocation procedures in § 1940.588 and § 1940.589 is appropriate for the program, the Agency will publish a Federal Register notice identifying the program and which State allocation procedure will be used for the program.

(b) If the Agency determines that none of the procedures specified in § 1940.588 and § 1940.589 is appropriate for the program, the Agency will implement the following steps:

(1) The Agency will either develop a preliminary state allocation formula and administrative procedures specific to the requirements of the new program or use whichever of the procedures in § 1940.588 and § 1940.589 the Agency determines most closely matches the purpose of the program. The Agency will publish in the Federal Register the State allocation formula and administrative procedures that it will use initially for the new program.

(2) The Agency will develop a State allocation formula and administrative provisions specific to the new program and publish them as a proposed rule change to this part in the Federal Register for public comment.

(3) Until the program's State allocation formula and administrative requirements are finalized, the Agency will use the preliminary State allocation formula established under paragraph (b)(1) of this section to make State allocations and administer the new program.

RD Instruction 1940-L

§§ 1940.594 - 1940.600 [Reserved]

Attachments: Exhibits A, B, C, and D.

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ALLOCATION OF PROGRAM FUNDS

This exhibit provides the allocation for program funds and instructions for the use of those funds. Planning and the commitment of resources should be based on these allocations.

The methodology and formulas for the allocation of funds to the States is as stated in the Instruction. Only those areas where it was necessary to provide additional information have been addressed in this exhibit. Refer to the main body of this Instruction for all basic information on the allocation and use of program funds. Attachments 1 and 2 of this exhibit provide information on the various programs as follows:

Attachment 1 - Rural Business-Cooperative Service

Attachment 2 - Rural Housing Service

Part I - Rural Community Facilities Program

Part II - Multi-Family Housing (MFH)

Part III - Single Family Housing (SFH)

The fund control function is performed by the National Office. Fund control balances can be obtained on the State Office terminal through APROPTN, the acronym for the Appropriation Accounting System, on the Online Subsystem Selection Menu screen. Should you have any questions regarding your State's distribution balances, call the respective program division. You can monitor your distribution amount via the Detail File Appropriation Screen.

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### **Rural Business-Cooperative Service**

**I. General.** This attachment details the funding for programs administered by the Rural Business-Cooperative Service (RBS). (Throughout this attachment, the reference to "Agency" refers to RBS.)

**A. Funding Computations.** This attachment provides fiscal year (FY) 2017 funding levels, State Office allocations, and program application and funding cycles. Allocation computations have been performed in accordance with sections 1940.588 and 1940.589 of this Instruction. Every effort will be made to re-emphasize Rural Development's (RD) mission as a provider of affordable credit to those areas of greatest need.

**B. Rural Area Eligibility.** Business and Industry (B&I) Guaranteed Loans may be made to cooperative organizations in non-rural areas provided the primary purpose of the loan guarantee is for a facility that provides value-added processing for agricultural producers that are located within 80 miles of the facility and the applicant demonstrates that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area. In addition, B&I loans for projects that are eligible under the locally or regionally produced agricultural food products initiative are eligible in urban areas as well as rural areas. The Rural Energy for America Program (REAP 9007) can assist agricultural producers in urban areas under certain conditions. There are no rural area restrictions for the Value-Added Producer Grant program.

**C. Submitting Funding Requests.** All requests must be electronically submitted to the National Office, using the appropriate SharePoint site as provided below. All requests must include the most current version of the program specific priority scoresheet, additional program specific certifications or information addressed in the program areas.

Requests for funding should not be submitted unless the project is ready to be obligated and the environmental review process is completed. **The Guaranteed Loan System (GLS) must be completed and ready for obligation, including the RBS performance measures, such as number of jobs created and saved, businesses assisted, energy generated or saved; special initiative sections and codes completed properly; detailed comments in the LAPAS comment field describing the business or agricultural producer and the project; and the status code updated to "216."**

In order to compete in the National Office funding competition, if program funds are allocated to the States, all such funds must be obligated in accordance with the funding cycle table on page 18. Highest priority projects must be funded with State allocations to the extent possible. After using its allocation, each State may submit its highest priority applications for competition in the National Office funding cycle. This includes any

multi-state requests. However, this is not applicable to any separate congressionally mandated funding cycles, such as the Rural Economic Area Partnership if funds are appropriated.

Projects funded by congressionally mandated funds, the National Office Reserve, or other nationally-competed funds that are subsequently deobligated, in addition to all funds from deobligations after year end pooling, cannot be used for funding other projects within the State. The funds must be returned to the National Office Reserve.

Random reviews of selected projects submitted for funding will be conducted by the National Office prior to States being notified of the awards.

**D. Obligation Dates.** Throughout this Instruction are references where funds must be obligated by certain dates. The deadline date is the last possible date that your project can be obligated. The obligation must be processed in the GLS or the Commercial Loan Servicing System (CLSS), as appropriate, prior to the pooling date published on page 18.

**E. Energy Projects.** The following requirements apply to all programs where assistance is provided for renewable energy purposes; this is not limited to the energy programs: States should utilize GLS to ensure that applicants have not previously received or applied for funding for renewable energy projects from different Agency programs for the same purpose. In addition, the following Web site should be checked for [award duplication](#) at [USAspending.gov](#). USAspending.gov may not contain information on awards to individuals or awards of less than \$25,000. A check of GLS and USAspending.gov should occur during the eligibility review prior to loan or grant approval, with evidence of the reviews placed in the case file. In addition, the loan or grant application should identify all other sources of funding for the proposed project.

**F. Reserve, Set-aside, and Congressionally Mandated Funds.** See page 18 of this attachment for funding amounts and funding cycle information regarding pooling of funds, National Office Reserve funds, and set-aside funds which are dependent on appropriation language. Native American funds will be used for projects where more than 75 percent of the benefits of the project will be received by members of a federally-recognized Native American Tribe. Rural Economic Area Partnership funds will be used for projects identified in the Rural Economic Area Partnership Strategic Plan and Benchmark Management System documents, provided more than 75 percent of the benefits of the project will be received by residents within the Rural Economic Area Partnership census tract boundaries. If an application meets more than one Congressional mandate, you must inform the National Office of the congressionally mandated funding under which you want the application to be considered.

**G. Duplication.** All staff are encouraged to review and verify program awards to ensure that neither the grantee nor project is receiving unnecessary duplication of funding, or accepting funding from more than one source for the same purpose. Throughout an award's period of performance, offices are encouraged to monitor for potential duplication and overlap during review of progress reports (annual, final and, for some awards, quarterly).

**H. Federal Awardee Performance and Integrity Information System (FAPIIS).** All staff must review <https://www.fapiis.gov/fapiis/index.action> during eligibility in accordance with § 200.205. This will comply with the Agency's responsibility for reviewing any risk posed by an applicant as determined by other Federal agencies. For competitive grants and cooperative agreements, the current Federal Register Notice must describe any reasons for applicant ineligibility or special conditions for award based on the degree of risk posed.

## **II. Program Funding.**

### **A. B&I Guaranteed Loan Program**

State Allocations. Each State will receive a B&I allocation for FY 2017 appropriated funds (see page 18 for program level). The latest census, American Community Survey and Bureau of Labor Statistics data available is used for rural population, rural population with incomes below the poverty level, and non-metropolitan unemployment. State allocations are shown on page 17 of this attachment. The transition formula described in § 1940.552 was not utilized. The amount of base allocation is \$5 million.

Unrestricted Reserve. Funds will be allocated on a weekly competitive basis to States from the National Office Reserve for projects that best meet Agency priorities from funds available at the time of the request. The cutoff for requests for reserve funds is close of business on Thursdays. National Office Reserve funds may be requested only when the State Office allocation is insufficient to fund projects ready to be obligated. **Requests for funding should not be submitted unless the project is ready to be obligated and the environmental review process is completed.** Funding requests must include the completed Funding Request Sheet and Priority Scoresheet, both of which are available on SharePoint.

Justifications for points awarded must be entered into the box under each category on the Priority Scoresheet. Supporting documents should be filed in the case file but not be included with the funding request. Administrator points may only be awarded for those loans submitted to the National Office for concurrence and should be submitted by separate memorandum. All States will be notified when funds are available for obligation.

Pooling of Funds. Pooling of FY 2017 Appropriated funds will take place on September 18, 2017. States are to immediately notify the B&I Loan Processing Branch Chief in the National Office of any de-obligations of funds that came from the National Office Reserve. The National Office reserves the right to pool funds earlier than September 18, 2017, to replenish the National Office Reserve, if necessary.

Funding for B&I Guaranteed Loans with an Increased Percentage of Guarantee or Reduced Guarantee Fee. A limited amount of annual appropriated funds for B&I guaranteed loans with an increased percentage of guarantee and/or a reduced guarantee fee will be available (see page 18 for program level). The amount of funding available will be apportioned on a quarterly basis. All requests must be submitted to the National Office in advance of obligating funds. Requests will be funded on a weekly basis, subject to the availability of funds, with a deadline for submission of close of business each Thursday. Funding requests not received by the deadline will be funded with the following week's requests.

The Administrator may grant an exception allowing guarantees of up to 90 percent on loans of \$5 million or less if the project to be financed is a high-priority project as defined in § 4279.2 or the lender satisfactorily documents that the loan will not be made and the project will not be completed due to the bank's legal or regulatory lending limit if the higher percentage of guarantee is not approved. Not more than 15 percent of the total national appropriation will be available for loans with an increased percentage of guarantee.

In order to receive a reduced guarantee fee, the business must support value-added agriculture and result in farmers benefiting financially; promote access to healthy foods; or be a high impact business development investment, as defined in § 4279.2, located in a rural community that is experiencing long-term population decline, has remained in poverty for the last 30 years, is experiencing trauma as a result of a natural disaster, is located in a city or county with an unemployment rate 125 percent of the Statewide rate or greater, or is located within the boundaries of a federally recognized Indian tribe's reservation or within tribal trust lands or within land owned by an Alaska Native Regional or Village Corporation as defined by the Alaska Native Claims Settlement Act. Not more than 12 percent of the total national appropriation of B&I funding authority will be available for loans with a reduced guarantee fee.

Locally Produced Agricultural Food Products. Through FY 2018, the Agency will utilize funds available under the B&I program for entities that establish and facilitate the processing, distributing, aggregating, storing, and marketing of locally or regionally produced agricultural food products. Locally or regionally produced agricultural food projects may be located in

urban or rural areas. State-allocated funds and National Office Reserve funds may be used for qualifying projects. Applicants must include in an appropriate agreement with retail and institutional facilities to which the applicant sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally or regionally produced agricultural food products. When requesting funds from the National Office Reserve, please make sure that your request clearly indicates that the project is for locally or regionally produced agricultural food products. Additionally, funding priority must be given to projects that have components benefiting (providing product to) underserved communities. For the purposes of this initiative, an underserved community is defined as a community (including a rural community and an Indian tribal community) that has limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer to consumer direct markets and has a high rate of hunger or food insecurity or a high poverty rate. The Food Access Research Atlas may be consulted at <https://www.ers.usda.gov/data/fooddesert>. Please ensure GLS accurately identifies projects under the Local Foods Initiative.

Strategic Economic and Community Development (SECD) under Section 6025 of the 2014 Farm Bill enables RD to prioritize projects that support the implementation of multi-jurisdictional SECD plans, through either priority points or a time-limited set-aside of up to 10 percent of B&I program funds. For FY 2017, B&I will set-aside 5 percent of its appropriated funds to support SECD and must be obligated by no later than June 30. All unexpended funds will revert back to general funds.

**B. Rural Business Development Grant Program (RBDG)**

State Allocations. States will receive an RBDG enterprise and opportunity allocation. (See page 18 for program level and page 17 for State allocations.) The basic formula consists of data from the latest census, American Community Survey, and Bureau of Labor Statistics which is used for rural population, rural population with incomes below the poverty level, and non-metropolitan unemployment. The transition formula described in §1940.552 is not utilized. The amount of base allocation is \$50,000 for enterprise grants and \$14,000 for opportunity grants.

Multi-state projects will be considered for funding by agreement between the State Offices. The National Office will allocate funds to the State processing the application.

Reserve. Funds from the National Office Reserve will be allocated on a case-by-case basis to the States for projects that best meet Agency priorities according to funds available at the time of the request. **No request for**



**funding will be considered unless the project is ready to be obligated and the environmental review is completed.**

There will be one national funding cycle for regular non-congressionally mandated FY 2017 funds. In order to compete in the National Office Reserve funding cycle, all funds allocated to the State must be obligated in accordance with the funding cycle chart on page 18. Highest priority projects must be funded with State allocations to the extent possible.

National Office Reserve funds may only be requested when the State Office allocation is not sufficient to fund projects ready to be obligated.

After scoring for the National Office competition at the State level, each State may submit its highest scoring application for competition in the National Office Reserve funding cycle. This includes any multi-state request. However, this is not applicable to any separate congressionally mandated funding cycles, such as Native American or Rural Economic Area Partnership.

Pooling of Funds. All State-allocated funds must be obligated no later than July 31, 2017, or they will revert to the National Office for redistribution. De-obligations of funds that came from the National Office Reserve fund, set-aside funds, or congressionally mandated funds and all funds de-obligated after the pooling date must revert to the National Office Reserve or appropriate set-aside funds. In the event of an emergency, we reserve the right to pool the funds earlier than the August 1, 2017, pooling date.

Reserve, Native American Set-aside, and Congressionally Mandated Funds. See page 18 of this attachment for funding amounts and funding cycle information regarding pooling of funds, National Office Reserve funds, and Native American set-asides.

Rural Economic Area Partnership (REAP) Set-aside Mandated Funds. If funds are appropriated, all projects should be reviewed, prioritized, and funded in the same manner as regular State allocated funds. Projects should be ranked according to highest to lowest score. Highest scoring projects should be funded before any lower scoring projects.

States will have until August 15 to obligate projects. Unobligated REAP funds will be pooled on August 16 as required by appropriations as they lose their REAP designation. The funds will be remanded to the National Office reserve competition.

All applications on the National Office funding competition list for FY 2016 were removed on October 1, 2016. Should the State Office determine that those projects are still viable, they may place them in competition for their State Office allocation and resubmit them for National Office competition if

appropriate. Each State jurisdiction is limited to submitting one request for RBDG National Reserve funds because of the limited amount of funds retained in the RBDG National Reserve.

Strategic Economic and Community Development (SECD). Section 6025 of the Farm Bill enables RD to prioritize projects that support the implementation of multi-jurisdictional SECD plans, either through priority points or a time-limited set-aside of up to 5 percent of RBDG program funds. For FY 2017, RBDG will set-aside 5 percent of its allocated funds to support SECD and must be obligated by no later than June 30. All unexpended funds will revert back to State general enterprise funds. If a SECD project is more than the allocated funds for SECD, the project could be funded with regular enterprise funds and it should be noted as a SECD initiative in GLS.

RBDG Transportation Grant funds are held in the National Office. The amount of funds available and application deadlines are published in the Notice in the Federal Register.

Multi-state projects will be considered for funding from the National Office funding competition after competing for State-allocated funds and will be reviewed, prioritized, and ranked in the same manner as a single-State project.

#### C. **Intermediary Relending Program (IRP)**

IRP funds from the National Office will be awarded on a quarterly national competitive basis. Projects will be funded based on successful competitive scoring subject to the availability of funding. The maximum amount for any one application is \$1 million. See page 18 of this attachment for funding cycle information and deadlines.

The Administrator has expanded the view of discretionary points from solely "poverty" to the full spectrum of criteria. States are encouraged to further expand and address to the degree possible each of the Administrative Point criteria in the regulation. To be clear, these are the criteria listed in the regulation. *Using the outline below, in a numbered and sequential fashion, address and support each criterion that pertains to your project. For items that are "Not Applicable," indicate "N/A for this project."*

1. The amount of funds requested in relation to the amount of need - (5 pts)
2. A particularly successful business development record - (5 pts)
3. A service area with no other IRP coverage; a service area with severe economic problems, such as communities that have remained persistently poor over the last 60 years, or have experienced long-term population decline or job deterioration - (10 pts) A service area with emergency

- conditions caused by a natural disaster or loss of a major industry - (5 pts)
4. A work plan that is in accord with a strategic plan, particularly a plan prepared as part of a request for an Empowerment Zone/Enterprise Community designation; (USDA Strategic Plan - Secretarial Initiatives - bioeconomy, local foods/food systems, etc. - (5 pts)
  5. Excellent utilization of a previous IRP loan - (5 pts)

**D. Rural Economic Development Loan and Grant Program (REDLG)**

REDLG funds from the National Office will be allocated on a quarterly national competitive basis to the highest scoring projects submitted for competition prior to the most recent request deadline, subject to the availability of funding in accordance to procedures outlined in the RBDG program above. The maximum amount to the same intermediary for the same project is \$1 million for loans and \$300,000 for grants. This is reflected in the Notice published in the [Federal Register](#) on November 21, 2016. See page 18 of this attachment for funding cycle information.

In order to distribute limited National Office competition funds among the greatest number of projects possible, applications will be reviewed, prioritized, and funded by ranking each State's highest scoring project in highest to lowest score order. The highest scoring project from each State will be considered that State's Priority One project. Priority One projects will be ranked according to score from highest to lowest. The second highest scoring project from each State will be considered the State's Priority Two project. Priority Two projects will be ranked according to score from highest to lowest and so forth until all projects have been scored and ranked in priority order. All Priority One projects will be funded before any Priority Two projects and so forth until funds are depleted, so as to ensure broad geographic distribution of funding.

**E. Rural Microentrepreneur Assistance Program**

Funds will be awarded on a quarterly national competitive basis to the highest scoring projects submitted for competition prior to the most recent request deadline, in accordance to procedures outlined in the 2015 Notice of Funding Availability (NOFA), subject to availability of funds. See page 18 of this attachment for funding cycle information and deadlines. Funding and procedures for FY 2017 micro development organization annual technical assistance grants will be announced subject to availability of funds.

**F. Delta Regional Authority (DRA) Congressionally Mandated Funds**

If provided in appropriations, Rural Community Advancement Program (RCAP) will be available to the DRA to provide assistance for any eligible purpose

under RCAP to businesses and residents residing in the Lower Mississippi Delta designated counties. Funds will be allocated to the Mississippi State Office and awarded to DRA.

**G. Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Section 9003)**

On July 25, 2016, the Agency published a Notice of Solicitation of Applications (NOSA) in the [Federal Register](#) which announced two separate application cycles, established in accordance with 7 CFR 4279.260(b). The NOSA announced deadlines of October 3, 2016, and April 3, 2017.

**H. Repowering Assistance Program (Section 9004)**

A [Federal Register](#) NOFA for the Repowering Assistance Program will be published in FY 2017, announcing funds recovered from prior year obligations.

**I. Advanced Biofuel Payment Program (Section 9005)**

There will be no funding notice published for this program in FY 2017. The funding level and the application window for participation in the program are identified on page 18. The application and payment process will be in accordance with 7 CFR 4288, subpart B. The request for payment must be received from the producer no later than 30 days from the end of the quarter. States must review and input data into GLS within 45 days from the end of the quarter. Supporting documentation for the pay request must be uploaded to SharePoint within the 60 days from the end of the quarter.

**J. Rural Energy for America Program (Section 9007)**

A [Federal Register](#) NOSA for the REAP 9007 was published October 18, 2016, announcing the acceptance of applications for participation in the program. The funding level and the application windows for participation in the program are identified on page 18.

If one or more grant, guaranteed loan, or combination guaranteed loan and grant applications have the same score and remaining funds in the State or National Office allocation are insufficient to fully award all, the remaining funds must be divided proportionally between the applications. The applicants must be notified they may accept the proportional amount of funds. If the applicant agrees to lower its request, the applicant must certify that the purposes of the project will be met and provide the remaining total funds needed to complete the project.

Prior to obligating grants, the Letter of Conditions and RD Form 1940-1, Request for Obligation of Funds, should be executed.

Submitting Reserve Funding Requests to National Office. A State Office requesting funds for an application from the National Office Reserve should have the application's status code in GLS at 216, which indicates it is ready for National Office funding consideration. For all National Office funding requests: Project Summary and Score-sheet documents should be uploaded to the State's SharePoint folder. In addition, the appropriate Regional Energy Coordinator should be notified via email of the National Office funding request.

Electronic files for funding requests from the National Office Reserve under the REAP 9007 must be labeled as follows:

- Use the State abbreviation as the first characters of the electronic file;
- The applicant's name, using last name if individual, or the company name;
- C for RES/EEI combination, G for RES/EEI grant, L for RES/EEI guaranteed loan, or EA for Energy Audit/Renewable Energy Development Assistance.

The following are examples of how files should be named:

DC Doe John C Score.xls  
DC Doe John F Proj Summ.doc

Energy Audit (EA) and Renewable Energy Development Assistance (REDA) Grants. EA and REDA Grant funds will not be allocated to the States. Funds will be maintained in a National Office Reserve. Applications for EA and REDA will be processed in the State Office. To ensure the equitable geographic distribution of funds, the two highest scoring applications from each State were submitted to the National Office to compete for funding by February 28, 2017. Funds were obligated by March 31, 2017.

The Type of Assistance (TOA) code for an EA application is 506 and 507 for a REDA application.

Renewable Energy Systems and Energy Efficiency Improvement (RES/EEI) Guaranteed Loans. RES/EEI Guaranteed Loan funds will not be allocated to States. Funds will be maintained in a National Office Reserve. Applications will be processed in the State Office. Complete applications that are ready to be obligated and have a priority score of a minimum of 50 points may compete in national funding competitions periodically throughout the year. All unfunded eligible guaranteed loan-only applications received that do not score at least 50 points will be competed against other guaranteed loan-only applications from other States at a final national competition, if the guaranteed loan reserves have not been completely depleted, on September 1, 2017.

For guaranteed loans that exceed the State's delegated approval authority, the State Office will submit the completed application, with a recommendation from the State Director, to the National Office through the Regional Energy Coordinator for concurrence. State Offices will be notified of the results of the National Office Loan Committee review. If the review is not favorable, the National Office will indicate the weaknesses and identify ways to mitigate same, and the State Office will notify the lender.

State Allocations. States will be allocated grant funds for the RES/EEI part of the REAP 9007. See page 18 for program level and page 17 for State allocations. The basic formula consists of data from the latest census, American Community Survey, and the State Energy Data System which is used for rural population, rural population with incomes below the poverty level, and State's energy cost index. The amount of base allocation is \$250,000 for unrestricted grants and \$100,000 for grants of \$20,000 or less.

Renewable Energy Systems and Energy Efficiency Improvement Grants of \$20,000 or Less. States will hold a set-aside competition for grants of \$20,000 or less in accordance with RD Instruction 4280-B, § 4280.121 (b) prior to the pooling date of June 2, 2017. Any eligible and complete (includes finalized environmental review) RES/EEI grant application, requesting \$20,000 or less in grant funds, will compete in the set-aside. Projects awarded in the set-aside competition should be assigned in GLS, with a 600 series TOA code and a 300 status code. Any unused funds for grants of \$20,000 or less were pooled into the National Office on Friday morning, June 2, 2017, to be utilized in a National Office competition.

After the National Office pools funds for grants of \$20,000 or less and determines the amount of funds available, it will also pull a GLS report for applications with a 600 series TOA code and a status code of 216 to determine which applications will be reviewed for funding consideration. Based on scores recorded in GLS, the National Office will advise States which applications should be uploaded into SharePoint for review for the National Office set-aside competition. Series 600 TOA codes should be used for all obligations from the National Office set-aside competition. The National Office competition must be completed and funds obligated by June 30, 2017.

Renewable Energy Systems and Energy Efficiency Improvement Unrestricted Grants. Applications for grants of \$20,000 or less have the benefit of competing in both the set-aside for grants of \$20,000 or less and in the unrestricted grant competition. Therefore, States that have more applications for grants of \$20,000 or less than can be funded with their State allocation will hold their unrestricted competition after all grants of \$20,000 or less set-aside funds have been awarded via the State and National Office competitions. (This would not be applicable to States that do not have more applications for grants of \$20,000 or less than their State

allocation.) Any unfunded grant application requesting \$20,000 or less may compete in the unrestricted competition, along with all eligible and complete (includes finalized environmental review) grant applications over \$20,000 and combination guaranteed loan and grant applications received by March 31, 2017.

Applications competing for these funds should use 500 series TOA codes. Please ensure that you modify the TOA code for any application for grants of \$20,000 or less that will compete for the unrestricted grant funds. Projects awarded in the unrestricted competition should be assigned a 300 status code in GLS when selected for award. Obligation of all State awarded unrestricted grant funds must occur by Thursday, August 3, 2017, because unused grant funds will be pooled into the National Office on Friday morning, August 4, 2017.

After the National Office pools funds and determines the amount of funds available, it will pull a GLS report for applications with a 500 series TOA code and a status code of 216 to determine which applications will be reviewed for funding consideration. Based on scores recorded in GLS, the National Office will advise States which applications should be uploaded into SharePoint for review for the National Office unrestricted grant fund competition. The National Office competition must be completed and funds obligated by September 29, 2017.

Renewable Energy Systems and Energy Efficiency Improvement Combination Guaranteed Loans and Grants. The loan portion of a combination guaranteed loan and grant will need to be requested from the National Office. The grant portion of combination guaranteed loan and grant requests will be competed based on grant score with unrestricted grants.

**K. Value-Added Producer Grant Program (VAPG)**

The Agency will publish a Notice in the Federal Register inviting applications for funding. Applications must be in accordance with the requirements published in 7 CFR 4248, subpart J, and the Federal Register Notice.

All funds are retained in the National Office and will be allocated on a nationally-competitive basis. The State Offices are responsible for receiving all applications, determining eligibility, and ensuring completeness of all submissions as required in the Federal Register Notice.

The State Offices and independent reviewers are responsible for scoring eligible proposals. The National Office provides random quality checks of a State's findings and independent reviewer scores and is responsible for monitoring the review process, ranking all eligible applications, and

recommending and approving final awards. Once awards are approved, available funds will be allocated to the State Offices. The State Offices will be responsible for processing obligations and monitoring and servicing these awards.

Note that reserved funding is available for Beginning Farmers or Ranchers (BFR), Socially Disadvantaged Farmers or Ranchers (SDFR), and projects proposing support for a Mid-Tier Value Chain (MTVC). Priority points may be awarded to projects that contribute to opportunities for BFR, Veteran BFR, SDFR, MTVC proposals, a Farmer or Rancher Cooperative, and to Operators of Small or Medium-sized Farms that are structured as Family Farms. Additional priority is available for Agricultural Producer Groups, Farmer or Rancher Cooperatives, and Majority-Controlled Producer-Based Business Ventures who can demonstrate, based on their current and projected composition of owners/membership, how their project "best contributes" to creating or increasing marketing opportunities for BFR, Veteran BFR, SDFR, and Operators of Small and Medium-sized Family Farms and Ranches. All reserved funds shall be obligated by no later than June 30, 2017. For obligations not completed by this deadline, consult the National Office for guidance.

Questions regarding this program should be submitted to Cooperative Programs.

**L. The Agricultural Marketing Resource Center (AgMRC)**

Up to 5 percent of VAPG appropriated funding will be reserved and administered by the National Office for the AgMRC. AgMRC is an electronically-based information center that coordinates, creates, processes, analyzes, presents, and shares information related to research, market, business, legal, financial, or logistical assistance for value-added agriculture. Currently, the center provides producers, processors, and other interested parties with critical information necessary to build successful value-added businesses. No funds are allocated to the State Offices; however, the authority is delegated to the Iowa State Office to approve work plans and budgets, obligate funds, and monitor the awards. Unspent funds shall be deobligated and returned to the National Office. Questions regarding this program should be submitted to Cooperative Programs.

**M. Rural Cooperative Development Grant Program (RCDG)**

The Agency published a Notice in the Federal Register inviting applications for FY 2017 funding. Applicants must submit an application in accordance with the requirements published in 7 CFR Part 4284, subparts A and F, and the Federal Register Notice.

All funds are retained in the National Office and will be allocated on a nationally-competitive basis. State Offices are responsible for completing eligibility determinations and project scoring and ranking of the



applications will be completed by using a panel methodology (see page 18 for program level). Once approved by the National Office, the State Offices are responsible for obligating approved awards and monitoring and servicing grantees.

Questions regarding this program should be submitted to Cooperative Programs.

**N. Socially Disadvantaged Group Grant (SDGG) Program**

The Agency published a Notice in the Federal Register inviting applications for FY 2017 funding. Applicants must submit an application in accordance with the requirements published in the Federal Register Notice in order to be considered for FY 2017 funds. All funds are retained in the National Office and will be allocated on a nationally-competitive basis. State Offices are responsible for completing eligibility determinations and project scoring and ranking of the applications will be completed by using a panel methodology (see page 18 for program level). Once approved by the National Office, the State Offices are responsible for obligating approved awards and monitoring and servicing grantees.

Questions regarding this program should be submitted to Cooperative Programs.

**O. The Appropriate Technology Transfer for Rural Areas (ATTRA)**

ATTRA provides information to farmers, extension agents, and other rural residents on a variety of sustainable agricultural practices that include both cropping and livestock operations. The program encourages agricultural producers to adopt sustainable agricultural practices, which allow them to maintain or improve profits, produce high quality food, and reduce adverse impacts to the environment. This program is administered exclusively by the National Office.

Questions regarding this program should be submitted to Cooperative Programs.

**P. Cooperative Agreements**

Cooperative Agreements are contractual agreements between the Federal Government and another party to accomplish a specific public purpose in which both the Agency and the recipient must be substantially involved. While State Offices may participate in the activities, funds are not allocated to the State Offices.

**Q. Delta Health Care Services Grant Program**

The Agency published a Notice in the Federal Register inviting applications for FY 2017 funding. Applications must be in accordance with the

requirements published in the Federal Register Notice in order to be considered for FY 2017 funding.

All funds are retained in the National Office and will be allocated on a nationally-competitive basis. The State Offices within the Delta Region are responsible for receiving applications, determining eligibility, and ensuring completeness of all submissions as required in the Federal Register Notice. Project scoring and ranking of the applications will be completed by using a panel methodology (see page 18 for program level). Once approved by the National Office, the State Offices are responsible for obligating approved awards and monitoring and servicing grantees.

Questions regarding this program should be submitted to Cooperative Programs.

Program SharePoint Folders - Request for Funds:

B&I	<a href="#">B&amp;I SharePoint Link</a>
RBDG	<a href="#">RBDG SharePoint Link</a>
REDLG	<a href="#">REDLG SharePoint Link</a>
IRP	<a href="#">IRP SharePoint Link</a>
RMAP	<a href="#">RMAP SharePoint Link</a>
Energy Section 9007	<a href="#">Section 9007 SharePoint Link</a>
Section 9005	<a href="#">Section 9005 SharePoint Link</a>
Delta Health Care Service	<a href="#">DHC SharePoint Link</a>
VAPG	<a href="#">VAPG SharePoint Link</a>
RCDG	<a href="#">RCDG SharePoint Link</a>
SDGG	<a href="#">SDGG SharePoint Link</a>

The LAPAS SharePoint site is: [Here](#).

Also, please refer to [House](#) and [Senate](#) for Representative and Senatorial information.

<b>FY 2017</b>							
	<b>B&amp;I Allocation</b>	<b>RBDG - Enterprise Allocation</b>	<b>Strategic Economic and Community Development 6025</b>	<b>RBDG - Opportunity Allocation</b>	<b>REAP Grants of \$20,000 or less Allocation</b>	<b>REAP Unrestricted Grant Allocation</b>	
Alabama	\$25,758,000	\$686,000	\$27,000	\$66,000	\$234,000	\$684,000	
Alaska	\$7,349,000	\$116,000	\$9,000	\$20,000	\$133,000	\$358,000	
Arizona	\$12,503,000	\$276,000	\$14,000	\$33,000	\$164,000	\$459,000	
Arkansas	\$17,384,000	\$426,000	\$19,000	\$45,000	\$189,000	\$540,000	
California	\$23,288,000	\$609,000	\$25,000	\$60,000	\$218,000	\$634,000	
Colorado	\$10,215,000	\$204,000	\$12,000	\$27,000	\$147,000	\$402,000	
Connecticut	\$7,555,000	\$123,000	\$9,000	\$20,000	\$136,000	\$368,000	
Delaware	\$6,264,000	\$82,000	\$8,000	\$17,000	\$127,000	\$339,000	
District of Columbia					\$100,000	\$250,000	
Florida	\$21,535,000	\$555,000	\$23,000	\$56,000	\$213,000	\$615,000	
Georgia	\$29,713,000	\$808,000	\$31,000	\$76,000	\$258,000	\$763,000	
Hawaii	\$6,070,000	\$76,000	\$8,000	\$17,000	\$139,000	\$377,000	
Idaho	\$8,907,000	\$164,000	\$11,000	\$24,000	\$141,000	\$381,000	
Illinois	\$15,925,000	\$381,000	\$18,000	\$41,000	\$175,000	\$494,000	
Indiana	\$18,245,000	\$453,000	\$20,000	\$47,000	\$188,000	\$537,000	
Iowa	\$11,913,000	\$257,000	\$14,000	\$31,000	\$157,000	\$435,000	
Kansas	\$9,990,000	\$197,000	\$12,000	\$27,000	\$148,000	\$406,000	
Kentucky	\$24,662,000	\$652,000	\$26,000	\$63,000	\$234,000	\$684,000	
Louisiana	\$17,063,000	\$416,000	\$19,000	\$44,000	\$184,000	\$524,000	
Maine	\$11,730,000	\$251,000	\$14,000	\$31,000	\$157,000	\$435,000	
Maryland	\$9,811,000	\$192,000	\$12,000	\$26,000	\$147,000	\$403,000	
Massachusetts	\$8,354,000	\$147,000	\$10,000	\$22,000	\$139,000	\$377,000	
Michigan	\$26,571,000	\$711,000	\$28,000	\$68,000	\$232,000	\$677,000	
Minnesota	\$14,547,000	\$339,000	\$16,000	\$38,000	\$171,000	\$481,000	
Mississippi	\$22,107,000	\$572,000	\$24,000	\$57,000	\$216,000	\$627,000	
Missouri	\$21,097,000	\$541,000	\$23,000	\$54,000	\$212,000	\$612,000	
Montana	\$8,868,000	\$162,000	\$11,000	\$24,000	\$141,000	\$384,000	
Nebraska	\$8,037,000	\$137,000	\$10,000	\$22,000	\$136,000	\$366,000	
Nevada	\$6,331,000	\$84,000	\$8,000	\$17,000	\$127,000	\$338,000	
New Hampshire	\$8,246,000	\$144,000	\$10,000	\$22,000	\$142,000	\$386,000	
New Jersey	\$8,113,000	\$139,000	\$10,000	\$22,000	\$134,000	\$360,000	
New Mexico	\$10,405,000	\$211,000	\$12,000	\$28,000	\$152,000	\$418,000	
New York	\$23,367,000	\$611,000	\$25,000	\$60,000	\$220,000	\$640,000	
North Carolina	\$30,577,000	\$834,000	\$32,000	\$78,000	\$307,000	\$923,000	
North Dakota	\$6,815,000	\$99,000	\$9,000	\$19,000	\$128,000	\$341,000	
Ohio	\$24,837,000	\$657,000	\$26,000	\$64,000	\$227,000	\$663,000	
Oklahoma	\$15,928,000	\$381,000	\$18,000	\$41,000	\$183,000	\$520,000	
Oregon	\$11,500,000	\$244,000	\$13,000	\$30,000	\$154,000	\$425,000	
Pennsylvania	\$24,684,000	\$652,000	\$26,000	\$64,000	\$227,000	\$661,000	
Puerto Rico	\$10,243,000	\$205,000	\$12,000	\$27,000	\$152,000	\$420,000	
Rhode Island	\$5,616,000	\$62,000	\$8,000	\$16,000	\$126,000	\$335,000	
South Carolina	\$22,771,000	\$593,000	\$24,000	\$59,000	\$216,000	\$627,000	
South Dakota	\$7,971,000	\$135,000	\$10,000	\$21,000	\$136,000	\$367,000	
Tennessee	\$26,107,000	\$697,000	\$27,000	\$67,000	\$237,000	\$694,000	
Texas	\$30,577,000	\$834,000	\$32,000	\$78,000	\$307,000	\$923,000	
Utah	\$6,918,000	\$102,000	\$9,000	\$19,000	\$129,000	\$345,000	
Vermont	\$7,644,000	\$124,000	\$10,000	\$21,000	\$139,000	\$377,000	
Virgin Islands	\$5,000,000	\$43,000	\$7,000	\$14,000	\$100,000	\$250,000	
Virginia	\$20,927,000	\$536,000	\$22,000	\$54,000	\$209,000	\$604,000	
Washington	\$14,280,000	\$330,000	\$16,000	\$37,000	\$168,000	\$470,000	
West Virginia	\$14,208,000	\$328,000	\$16,000	\$37,000	\$172,000	\$482,000	
W. Pacific Areas	\$5,000,000	\$43,000	\$7,000	\$14,000	\$100,000	\$250,000	
Wisconsin	\$16,720,000	\$406,000	\$18,000	\$43,000	\$184,000	\$521,000	
Wyoming	\$6,290,000	\$83,000	\$8,000	\$17,000	\$124,000	\$327,000	
<b>Total Allocated</b>	<b>\$776,536,000</b>	<b>\$18,110,000</b>	<b>\$868,000</b>	<b>\$2,025,000</b>	<b>\$9,336,000</b>	<b>\$26,279,000</b>	
National Office Reserve	\$500,002,339	\$891	\$979	\$3,732	\$14,168	\$29,174	
<b>Grand Total</b>	<b>\$1,276,538,339</b>	<b>\$18,110,891</b>	<b>\$868,979</b>	<b>\$2,028,732</b>	<b>\$9,350,168</b>	<b>\$26,308,174</b>	

**FY 2017  
 Program Funding Amounts and Funding Cycles**

Program	Category of Funding or Set Aside	Total FY 2017 Funding	Application Deadline (to S/O)	Deadline to Submit to N/O	Pooling Date	Comments
<b>B&amp;I</b>	State Allocations	\$776,536,000	N/A	N/A	9/15/17	Funds not obligated by 9/15/17 will be pooled to the N/O Reserve on Monday, September 18, 2017.
	N/O Reserve	\$500,002,339	N/A	Weekly	N/A	Funds are available until expended.
	Section 6025	\$46,472,631	N/A	Weekly	6/30/17	Funds not obligated by 6/30/17 will revert to N/O Reserve on July 1, 2017.
	Native American	\$1,503,589	N/A	Weekly	N/A	Funds are available until expended.
	Natural Disaster	\$1,099,447	N/A	Weekly	N/A	Funds are available until expended.
<b>RBDG Enterprise (Formerly RBEG)</b>	N/O Reserve	\$1,870	N/A	7/31/17	N/A	Must be obligated by 9/30/17
	State Allocations	\$18,110,000	N/A	N/A	8/1/17	State requests to convert "Opportunity" funds to "Enterprise" funds must be submitted to N/O by cob 6/30/17. Funds not obligated by cob 7/31/17 will revert to N/O funds on 8/1/17.
	Section 6025	\$868,000	N/A	N/A	8/1/17	Funds not utilized by 6/30/17 will be converted to "Enterprise" type grant funds. The date is set by appropriations and cannot be modified.
	Native American	\$3,250,000	N/A	5/31/17	N/A	Must be obligated by 9/30/17
	REAP Zone	\$2,029,310	N/A	N/A	8/16/17	Funds not obligated by 8/15/17 will revert to N/O funds. The date is set by appropriations and cannot be modified.
	Transportation Grant	\$500,000	N/A	90 Days after Publication	N/A	Funds must be obligated by 9/30/17 and are available until expended.
	Transportation Native American	\$250,000	N/A	90 Days after Publication	N/A	Funds must be obligated by 9/30/17 and are available until expended.
<b>RBDG Opportunity (Formerly RBOG)</b>	N/O Reserve	\$3,732	N/A	N/A	N/A	Must be obligated by 9/30/17
	State Allocations	\$2,025,000	N/A	N/A	8/1/17	State requests to convert "Opportunity" funds to "Enterprise" funds must be submitted to N/O by cob 6/30/17. Funds not obligated by cob 7/31/17 will revert to N/O funds.
	Native American	\$500,000	N/A	05/31/17	N/A	Must be obligated by 9/30/17
	REAP Zone	\$91,096	N/A	N/A	8/16/17	Must be obligated by 8/15/17
<b>REDLG - Loan</b>	N/O Funds	\$44,532,374	12/31/2016; 3/31/2017; 6/30/2017; 9/30/2017	1/31/17; 4/30/17; 7/31/17; 10/31/17	N/A	Quarterly competitions. Funds must be obligated by 9/30/17
<b>REDLG - Grant</b>	N/O Funds	\$9,310,000	12/31/2016; 3/31/2017; 6/30/2017; 9/30/2017	1/31/17; 4/30/17; 7/31/17; 10/31/17	N/A	Quarterly competitions. Funds must be obligated by 9/30/17
<b>RMAP</b>	N/O Funds - Microlending Loans	\$10,202,671	12/31/2016; 3/31/2017; 6/30/2017; 9/30/2017	1/31/17; 4/30/17; 7/31/17; 10/31/17	N/A	Quarterly competitions. Funds must be obligated by 9/30/17
	N/O Funds - Subsequent MDO TA Grants	\$2,094,750	07/31/17	8/15/17	N/A	Existing RMAP MDO's must enter 6/30/17 data in LINC by 4:30 EST 7/31/17 to be eligible for subsequent annual TA grant award. SO must submit request to NO by 8/15/17.
	N/O - Microlending Technical Assistance Grants (Dev Org)		12/31/2016; 3/31/2017; 6/30/2017; 9/30/2017	1/31/17; 4/30/17; 7/31/17; 10/31/17	N/A	Quarterly competitions. Funds must be obligated by 9/30/17
<b>IRP</b>	N/O Funds	\$13,020,093	12/31/2016; 3/31/2017; 6/30/2017; 9/30/2017	1/31/17; 4/30/17; 7/31/17; 10/31/17	N/A	Quarterly competitions. Funds must be obligated by 9/30/17
	REAP	\$250,000	N/A	7/15/17	8/16/17	Funds not obligated by cob 8/15/17 will revert to N/O regular funds for fourth quarter competition.
	Native American	\$1,921,352	N/A	5/31/17	7/1/17	Funds not obligated by cob 6/30/17 to revert to Regular funds. The date is set by appropriations and cannot be modified.
	MS Delta Region	\$3,697,826	N/A	5/31/17	7/1/17	Funds not obligated by cob 6/30/17 to revert to Regular funds. The date is set by appropriations and cannot be modified.

<b>Section 9003 Biorefinery Assistance</b>	Guaranteed Loan	TBD	N/A	10/3/16 and 4/3/2017	N/A	Letter of intent due 30 days prior to application date
<b>Section 9004 Repowering Assistance</b>	Payment	TBD	N/A	TBD	N/A	NOSA contains the application date
<b>Section 9005 Advanced Biofuels Payment Program</b>	Payment	\$13,965,000	10/31/2016	See page 9 for more information		
<b>Section 9007 Rural Energy for America Program</b>	Guaranteed Loan	\$406,176,129	N/A	N/A	N/A	Guaranteed Loans submitted to the National Office will be competed as they come in.
	State Allocated \$20,000 or Less Grants	\$9,350,168	10/31/2016 and 3/31/2017	6/1/17	6/2/17	Unused funds will be pooled 06/02/2017
	State Allocated Unrestricted Grants	\$26,308,174	3/31/2017	8/3/17	8/4/17	Unused funds will be pooled 08/04/2017
	Combination Loan & Grant	See Above	3/31/2017	8/3/17	N/A	Combined guaranteed loan and grant applications will compete with grant applications during the unrestricted grant competitions based on grant score.
	Energy Audit & Renewable Energy Development Assistance Grants	\$1,862,000	1/31/2017	2/28/17	N/A	Funds will be held in the national office for competition and will be obligated by 03/31/2017.
<b>VAPG</b>	Reserve Funds - Beginning and Socially Disadvantaged	\$1,500,000	N/A	N/A	6/30/2017	Funds will roll over to the National Office account after 6/30/2017.
	Reserve Funds - Mid Tier Value Chain	\$1,500,000	N/A	N/A	6/30/2017	Funds will roll over to the National Office account after 6/30/2017.
	N/O Funds	\$17,621,357	TBD	TBD	N/A	
	AgMRC	\$750,000	N/A	N/A	N/A	
<b>SDGG</b>	N/O Funds	\$3,000,000	TBD	TBD	N/A	
<b>RCDG</b>	N/O Funds	\$5,800,000	6/2/2017	6/23/2017	N/A	
<b>DHCS</b>	N/O Funds	\$3,041,957	7/24/2017	8/14/2017	N/A	One cycle of funding has already been completed. Amount of available funding is only for second funding cycle.
<b>ATTRA</b>	N/O Funds	\$2,750,000	N/A	N/A	N/A	

RURAL DEVELOPMENT (RD)  
RURAL HOUSING SERVICE  
RURAL COMMUNITY FACILITIES PROGRAMS (RCFP)

I. General. This Attachment details funding for programs administered by Rural Development, Housing and Community Facilities Programs (HCFP). Throughout this Attachment, the reference to "Agency" refers to Rural Development, Rural Housing Service or Housing and Community Facilities Programs.

- A. Funding Computations. This Attachment provides funding allocations available for Fiscal Year (FY) 2012. All Community Facilities (CF) funds are included in the RCFP Account. Computations for allocations available to individual States have been performed in accordance with §§ 1940.585, 1940.591, and 1940.592 of this instruction. For FY 2012, the direct loan program has a neutral subsidy rate and the subsidy rate for the guaranteed loan program is positive.
- B. Budget Authority. For FY 2012, the President provided funding the Consolidated and Further Continuing Appropriations Act, (P.L. 112-55 dated 11/18/2011). These funds flow into the Rural Community Facilities Program (RCFP) Account.

The Administrator allocated budget authorities into program funds as provided in this attachment. Each dollar of budget authority may support a different program level depending upon the nature of the program (loan or grant).

Loan and grant funds are subject to the Equal Credit Opportunity Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (also known as the Fair Housing Act of 1988, as amended), Section 504 of the Rehabilitation Act of 1973, Title IX Education Amendments of 1972, and Executive Orders 11246 and 12898.

- C. Public notification. State Directors are to ensure that programs comply with Executive Order 12898, and RD Instruction 1901-E, Agency Civil Rights Compliance Requirements, by directing outreach activities to low income and minority populations, underserved communities, and colonias.

Agency Civil Rights Compliance Requirements include the Equal Credit Opportunity Act (ECOA), Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

D. USDA Nondiscrimination Statement.

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD)."

To file a complaint of discrimination, write to:

USDA

Assistant Secretary for Civil Rights,  
Office of the Assistant Secretary for Civil Rights,  
1400 Independence Avenue, S.W., Stop 9410,  
Washington, DC 20250-9410

E. Rural Community Development Initiative.

The President appropriated \$3.621 million for the Rural Community Development Initiative (RCDI). The funds will be used to develop the capacity and ability of private, nonprofit, community-based housing and community development organizations, low-income rural communities, and Indian tribes to undertake projects to improve housing, community facilities, and community and economic development projects in rural areas. A Notice of Funds availability regarding this program will be published in the Federal Register. For FY 2012, each State Office or its designated Area offices will accept and perform the initial screening of RCDI applications before forwarding them to the National Office for scoring and ranking. The initial screening is designed to determine completeness of the application and eligibility of the applicants, recipients, and beneficiaries. Further guidance as to processing and deadlines will be forthcoming.



F. Set-Aside for Childcare.

The Consolidated Farm and Rural Development Act, Section 306a(19)(C)(i) requires that not less than 10 percent of the available funds be reserved for child care facilities in rural areas until June 1 of each fiscal year. Accordingly, a set-aside of \$1,136,300 in CF grant funds is provided for child care facilities. State Offices must E-mail a general description of the project, Form RD 3570-1, and Letter 3570-B-1 to the National Office by close of business on June 1, 2012. The grants must be obligated by June 30, 2012. The maximum grant amount is \$50,000.

G. Rural Economic Area Partnership (REAP) Zone Set-Aside/Reserve. The Appropriations Act provides for a set-aside for REAP zones based on prior year set asides. This equates to \$100,000 for Community Facilities.

1. Grant Processing. Grants should be processed as directed in this Instruction, as follows:

Community Facilities Program: Part I, pages 3-9.

H. Hierarchy of Funding.

We continue to require that each project individually receive the minimum amount of subsidy required for project feasibility. Each project should be reviewed for the potential use of guaranteed funds prior to consideration of direct loan funding. Each project should also be reviewed for the potential use of direct loan funds prior to the consideration of grant funding.

I. Exception authority. The Administrator, or designee, may, in individual cases, make an exception to any of the requirements of this Attachment which are not inconsistent with the authorizing statute or regulations if the Administrator finds that application of such requirement would adversely affect the interest of the Government.

The Administrator, or designee, may exercise this authority upon request by a State Director. These requests must be supported by information that demonstrates the adverse impact or effect on the program.

In addition, the Administrator, or designee, reserves the right to change pooling dates, establish or change minimum or maximum fund usage from set asides and reserves, or restrict participation in set asides and reserves.

II. State Allocations. All allocations have been calculated in accordance with the methodology and formulas contained in §§ 1940.585, 1940.591, and 1940.592 of this Instruction.

A. All Community Facilities Programs.

1. Basic formula criteria, data source, and weight. The census information used in the formula is derived from the latest census data available on population, income, and unemployment.
2. Basic formula allocation. State allocations are shown on pages 10, 11, 12, and 13 of this part.
3. Transition formula. The transition formula is not used.
4. Base allocations. The amounts of the base allocations to each State are \$5,884,125 for the direct loan program, \$1 million for the guaranteed loan program, and \$50,000 for the grant program. Economic Impact Initiative funds also will be allocated to each State, with a base allocation of \$50,000.
5. Administrative allocation. An administrative allocation was used to establish an allocation for the U.S. Virgin Islands and the Western Pacific Islands. Section 1940.552 (f) of this Instruction establishes the conditions for establishing administrative allocations. Section 1940.552 (e) provides guidance on setting the base allocation amount given to each State that receives an allocation including a basic formula allocation amount.

The program area reviews the allocations provided to States that have an allocation factor and sets the administrative allocation amount at either the base amount or slightly below the amount that is allocated to the State with the lowest allocation presently Rhode Island).

Historically, the U.S. Virgin Islands and the Western Pacific Islands do not fully utilize most of the administrative allocation amounts they receive. The Western Pacific occasionally uses its grant funds. Be advised that Program Reserve funds are made available to the administrative allocation States and all other States when projects exceed their allocation.

6. Reserve. Funds will be allocated to the States for those projects which best meet the Agency's priorities, depending on the amount available at the time of the request. Program Managers may request reserve funds by E-mailing a general description of the project with Guide 26 of RD Instruction 1942-A, Exhibit C of RD Instruction 3575-A, or RD Form Letter 3570-B-1, Form RD 3570-1, and the Legislative and Public Affairs Staff Project Announcement Sheet, as appropriate, to the National Office after the docket has been developed to the point where the loan or grant can be approved upon notification that funds are available.

Requests for direct and guaranteed loan and grant reserves may be made at any time. The procedure for requesting grant reserves is contained in Section D, paragraph 3, "Grant Processing," below.

Reserve funds will only be made available after the State's allocation has been allocated or obligated for particular projects. The Administrator will consider a State Director's utilization of all his or her CF allocations in determining whether to honor requests for funds from the direct or guaranteed loan or grant reserves.

7. Pooling. There will be no mid-year pooling for regular grant and EII funds. Mid-year pooling for regular direct and guaranteed funds will take place on Monday, April 30, 2012. End-of-year pooling for regular and EII grants and direct and guaranteed loan funds will take place on Monday, August 6, 2012.

8. 15x15x45. To the maximum extent possible, loan, grant, and guaranteed funds should be directed to the smallest communities with the lowest incomes emphasizing areas where school district data show that at least 45% of children are living in poverty. This emphasis will support Rural Development's goal of providing 15% of its funding by the year 2015 to these areas of need.

B. Community Facilities Direct Loans.

Amount available for allocation:

Amount Available	\$1,300,000,000
Less National Office Reserve	\$ 65,000,375
Base, Administrative, and	
Basic Formula Amount Distributed	\$1,234,999,625

C. Community Facilities Guaranteed Loans.

Amount available for allocation:

Amount Available	\$105,708,245
Less National Office Reserve	\$10,572,245
Base, Administrative, and	
Basic Formula Amount Distributed	\$95,136,000

D. Community Facilities Grants.

1. Amount available for allocation:

Amount Available	\$11,363,000
Less National Office Reserve	\$ 1,136,300
Less Child Care Reserve	\$ 1,136,300
Less REAP Set-Aside	\$100,000

Base, Administrative, and Basic Formula Amount Distributed	\$8,990,400
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2. Maximum grant amount. For FY 2012, the maximum grant reserve request amount is \$50,000. The maximum grant amount for a child care reserve request is also \$50,000.

3. Grant processing. The deadline to request Community Facilities grant funds from the National Office Reserve is August 3, 2012. Program Managers must E-mail a general description of the project, Form RD 3570-1, RD Form Letter 3570-B-1, and a separate electronic file copy of the Legislative and Public Affairs Staff Project announcement Sheet for each request to the National Office by close of business on August 3, 2012. Indicate clearly, the type or types of grant for which the request is being submitted for on the "Type of Request" line on RD Form Letter 3570-B-1. Any request received after this time period will be held in the National Office to compete for any additional funds that remain available after all other eligible requests have been funded. The National Office will transfer the funds and provide notification to the State Office that the funds are available. The National Office does not maintain unfunded requests beyond the end of the fiscal year.

4. For each grant application approved, the State Director must document that the minimum grant amount needed to achieve financial feasibility for the project has been determined. A copy of this analysis must be kept in the project file.

E. Economic Impact Initiative (EII) Grants.

1. Amount available for allocation.

Amount Available	\$5,938,000
Less National Office Reserve	\$890,700
Base, Administrative, and Basic Formula amount distributed	\$5,047,300

2. Grant processing. This grant program is authorized under Section 306(a)(20) of the Consolidated Farm and Rural Development

Act. For FY 2012, the President appropriated \$5.938 million for a Community Facilities grant program for rural communities with extreme unemployment and severe economic depression, hereinafter referred to as the Economic Impact Initiative. These funds are in addition to the regular allocation of funding for the Community Facilities grant program. EII funds will be administered under the same regulations governing the Community Facilities grant program. Program administration, eligibility, processing, and servicing requirements for this program may be found in 7 CFR Part 3570, Subpart B. The deadline to request EII grant funds from the National Office Reserve is August 3, 2012. The maximum EII grant reserve request is \$50,000.

3. Project Requirements: In addition to the requirements contained in 7 CFR Part 3570, the essential community facility must be located in a rural community where the "not employed rate" is greater than 19.5 percent. As stated in 7 USC 1926(a)(20)(B), the "not employed rate" is the percentage of individuals over the age of 18 who reside within the community and are ready, willing, and able to be employed but are unable to find employment, as determined by the Department of Labor of the State in which the community is located. This Department must typically analyze "not employed rates" or similar data.

4. Internet and Broadband. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, expanded eligibility for the EII to provide local dial-up Internet access or broadband service where it does not currently exist. Under this provision, the Agency may make grants to State agencies for use by regulatory commissions in States with rural communities which do not have such services.

The State agencies are expected to establish a competitive, technologically-neutral grant program for telecommunications carriers or cable operators that establish common carrier facilities and services that, in the Commission's determination, will result in the long-term availability of affordable broadband services used for high speed Internet access in these communities.

5. For each grant application approved, the State Director must document that the minimum grant funding needed to achieve financial feasibility for the project has been determined. A copy of this analysis must be kept in the project file.

6. Not Employed Rate: Documentation that the EII grant project is located in an area where the "not employed rate" is greater than 19.5 percent, as defined by paragraph 3 above, must be maintained in each EII grant file.

F. Tribal College Grants

1. Program Administration. This program is authorized under Section 306(a)(19) and 306(a)(25) of the Consolidated Farm and Rural Development Act. For FY 2012, Congress appropriated \$3,369,000 for a Community Facilities grant program for the 35 tribal colleges that are 1994 land-grant institutions meeting the criteria of the Equity in Education Land-Grant Status Act of 1994.

Rural Development will administer these funds using the same regulations that govern its Community Facilities grant program. Program administration, eligibility, processing, and servicing requirements for that program may be found in 7 CFR Part 3570, Subpart B.

2. Funds Management. All Tribal College Initiative funds will remain in the National Office Reserve for FY 2012 funding consideration. Project selections will be made on a Nation-wide competitive basis. When a State Office determines that an applicant is eligible, the preapplication will be evaluated competitively and points awarded as specified in the project selection priorities contained in the above-cited regulations. For FY 2012, the maximum Tribal College grant amount is \$250,000. Applications are due into the State office on June 1, 2012.

3. Funding Requests. The State Director or designee will E-mail the request to the National Office to compete for funding consideration. The request must consist of a general description of the project, Form RD 3570-1, RD Form Letter 3570-B-1, and a separate electronic file copy of the Legislative and Public Affairs Staff Project Announcement Sheet for each project. These items must be forwarded to the National Office by the close of business on July 16, 2012. Any requests received after this date will be held in the National Office to compete for any additional funds that remain available after all other eligible requests have been funded.

4. Funding Notification. All preapplications selected for funding Consideration will be notified by the State of field office by issuance of Form AD-622, "Notice of Preapplication Review Action." At that time, the proposed recipient will be invited to submit a complete application, along with instructions related to the agreed-upon award amount. An application conference will be scheduled with the proposed recipient to discuss items needed for the formal application and to further clarify issues related to the project.

5. Grant Approval. Final grant approval is subject to the availability of funds; the submission of a formal, complete application and related materials meeting the program requirements and responsibilities of the grantee (set forth in 7 CFR Part 3570, Subpart B); the letter of conditions; and the grant agreement.

6. Unfunded Requests. The National Office does not maintain unfunded requests beyond the end of the fiscal year. Those preapplications not having sufficient priority to receive funding consideration during FY 2012 will be notified, in writing, by the State or designated field office.

	Basic Formula	Base Allocation	Base Formula	FY 2012
Alabama	0.03339553	\$5,884,125	\$30,829,000	\$36,713,125
Alaska	0.00445431	\$5,884,125	\$4,112,000	\$9,996,125
Arizona	0.01697340	\$5,884,125	\$15,669,000	\$21,553,125
Arkansas	0.02197317	\$5,884,125	\$20,284,000	\$26,168,125
California	0.03586068	\$5,884,125	\$33,104,000	\$38,988,125
Colorado	0.01266751	\$5,884,125	\$11,694,000	\$17,578,125
Delaware	0.00284737	\$5,884,125	\$2,629,000	\$8,513,125
Maryland	0.00944634	\$5,884,125	\$8,720,000	\$14,604,125
Florida	0.03481044	\$5,884,125	\$32,135,000	\$38,019,125
Virgin Islands		\$5,884,125	\$0	\$5,884,125
Georgia	0.04513052	\$5,884,125	\$41,662,000	\$47,546,125
Hawaii	0.00333212	\$5,884,125	\$3,076,000	\$8,960,125
W. Pacific Areas		\$5,884,125	\$0	\$5,884,125
Idaho	0.00811217	\$5,884,125	\$7,489,000	\$13,373,125
Illinois	0.02783790	\$5,884,125	\$25,698,000	\$31,582,125
Indiana	0.02873057	\$5,884,125	\$26,522,000	\$32,406,125
Iowa	0.01705842	\$5,884,125	\$15,747,000	\$21,631,125
Kansas	0.01127778	\$5,884,125	\$10,411,000	\$16,295,125
Kentucky	0.03463063	\$5,884,125	\$31,969,000	\$37,853,125
Louisiana	0.02100003	\$5,884,125	\$19,386,000	\$25,270,125
Maine	0.01198064	\$5,884,125	\$11,060,000	\$16,944,125
Massachusetts	0.00537944	\$5,884,125	\$4,966,000	\$10,850,125
Connecticut	0.00566207	\$5,884,125	\$5,227,000	\$11,111,125
Rhode Island	0.00084212	\$5,884,125	\$777,000	\$6,661,125
Michigan	0.04400331	\$5,884,125	\$40,621,000	\$46,505,125
Minnesota	0.02332602	\$5,884,125	\$21,533,000	\$27,417,125
Mississippi	0.03001013	\$5,884,125	\$27,704,000	\$33,588,125
Missouri	0.02921525	\$5,884,125	\$26,970,000	\$32,854,125
Montana	0.00776333	\$5,884,125	\$7,167,000	\$13,051,125
Nebraska	0.00798714	\$5,884,125	\$7,373,000	\$13,257,125
Nevada	0.00648236	\$5,884,125	\$5,984,000	\$11,868,125
New Jersey	0.00529691	\$5,884,125	\$4,890,000	\$10,774,125
New Mexico	0.00852279	\$5,884,125	\$7,868,000	\$13,752,125
New York	0.03348471	\$5,884,125	\$30,911,000	\$36,795,125
North Carolina	0.05000000	\$5,884,125	\$46,157,000	\$52,041,125
North Dakota	0.00397123	\$5,884,125	\$3,666,000	\$9,550,125
Ohio	0.04304141	\$5,884,125	\$39,733,000	\$45,617,125
Oklahoma	0.01960993	\$5,884,125	\$18,103,000	\$23,987,125
Oregon	0.01399101	\$5,884,125	\$12,916,000	\$18,800,125
Pennsylvania	0.04026176	\$5,884,125	\$37,167,000	\$43,051,125
Puerto Rico	0.00752173	\$5,884,125	\$6,944,000	\$12,828,125
South Carolina	0.03036461	\$5,884,125	\$28,031,000	\$33,915,125
South Dakota	0.00584397	\$5,884,125	\$5,395,000	\$11,279,125
Tennessee	0.03867384	\$5,884,125	\$35,701,000	\$41,585,125
Texas	0.05000000	\$5,884,125	\$46,157,000	\$52,041,125
Utah	0.00504264	\$5,884,125	\$4,655,000	\$10,539,125
Vermont	0.00612041	\$5,884,125	\$5,650,000	\$11,534,125
New Hampshire	0.00680836	\$5,884,125	\$6,285,000	\$12,169,125
Virginia	0.02896711	\$5,884,125	\$26,741,000	\$32,625,125
Washington	0.01748747	\$5,884,125	\$16,143,000	\$22,027,125
West Virginia	0.01428450	\$5,884,125	\$13,187,000	\$19,071,125
Wisconsin	0.02561357	\$5,884,125	\$23,645,000	\$29,529,125
Wyoming	0.00290131	\$5,884,125	\$2,678,000	\$8,562,125
Totals		\$311,858,625	\$923,141,000	\$1,234,999,625
National Office Reserve				\$65,000,375
Grand Total				\$1,300,000,000



HCFP FY 2012  
 GUARANTEED COMMUNITY FACILITY LOANS  
 LOAN ALLOCATION

	Basic Formula	Base Allocation	Base Formula	FY 2012
Alabama	0.03339553	\$1,000,000	\$1,407,000	\$2,407,000
Alaska	0.00445431	\$1,000,000	\$188,000	\$1,188,000
Arizona	0.01697340	\$1,000,000	\$715,000	\$1,715,000
Arkansas	0.02197317	\$1,000,000	\$926,000	\$1,926,000
California	0.03586068	\$1,000,000	\$1,511,000	\$2,511,000
Colorado	0.01266751	\$1,000,000	\$534,000	\$1,534,000
Delaware	0.00284737	\$1,000,000	\$120,000	\$1,120,000
Maryland	0.00944634	\$1,000,000	\$398,000	\$1,398,000
Florida	0.03481044	\$1,000,000	\$1,467,000	\$2,467,000
Virgin Islands		\$1,000,000	\$0	\$1,000,000
Georgia	0.04513052	\$1,000,000	\$1,902,000	\$2,902,000
Hawaii	0.00333212	\$1,000,000	\$140,000	\$1,140,000
W. Pacific Areas		\$1,000,000	\$0	\$1,000,000
Idaho	0.00811217	\$1,000,000	\$342,000	\$1,342,000
Illinois	0.02783790	\$1,000,000	\$1,173,000	\$2,173,000
Indiana	0.02873057	\$1,000,000	\$1,211,000	\$2,211,000
Iowa	0.01705842	\$1,000,000	\$719,000	\$1,719,000
Kansas	0.01127778	\$1,000,000	\$475,000	\$1,475,000
Kentucky	0.03463063	\$1,000,000	\$1,459,000	\$2,459,000
Louisiana	0.02100003	\$1,000,000	\$885,000	\$1,885,000
Maine	0.01198064	\$1,000,000	\$505,000	\$1,505,000
Massachusetts	0.00537944	\$1,000,000	\$227,000	\$1,227,000
Connecticut	0.00566207	\$1,000,000	\$239,000	\$1,239,000
Rhode Island	0.00084212	\$1,000,000	\$35,000	\$1,035,000
Michigan	0.04400331	\$1,000,000	\$1,854,000	\$2,854,000
Minnesota	0.02332602	\$1,000,000	\$983,000	\$1,983,000
Mississippi	0.03001013	\$1,000,000	\$1,264,000	\$2,264,000
Missouri	0.02921525	\$1,000,000	\$1,231,000	\$2,231,000
Montana	0.00776333	\$1,000,000	\$327,000	\$1,327,000
Nebraska	0.00798714	\$1,000,000	\$337,000	\$1,337,000
Nevada	0.00648236	\$1,000,000	\$273,000	\$1,273,000
New Jersey	0.00529691	\$1,000,000	\$223,000	\$1,223,000
New Mexico	0.00852279	\$1,000,000	\$359,000	\$1,359,000
New York	0.03348471	\$1,000,000	\$1,411,000	\$2,411,000
North Carolina	0.05000000	\$1,000,000	\$2,107,000	\$3,107,000
North Dakota	0.00397123	\$1,000,000	\$167,000	\$1,167,000
Ohio	0.04304141	\$1,000,000	\$1,814,000	\$2,814,000
Oklahoma	0.01960993	\$1,000,000	\$826,000	\$1,826,000
Oregon	0.01399101	\$1,000,000	\$589,000	\$1,589,000
Pennsylvania	0.04026176	\$1,000,000	\$1,696,000	\$2,696,000
Puerto Rico	0.00752173	\$1,000,000	\$317,000	\$1,317,000
South Carolina	0.03036461	\$1,000,000	\$1,279,000	\$2,279,000
South Dakota	0.00584397	\$1,000,000	\$246,000	\$1,246,000
Tennessee	0.03867384	\$1,000,000	\$1,630,000	\$2,630,000
Texas	0.05000000	\$1,000,000	\$2,107,000	\$3,107,000
Utah	0.00504264	\$1,000,000	\$212,000	\$1,212,000
Vermont	0.00612041	\$1,000,000	\$258,000	\$1,258,000
New Hampshire	0.00680836	\$1,000,000	\$287,000	\$1,287,000
Virginia	0.02896711	\$1,000,000	\$1,221,000	\$2,221,000
Washington	0.01748747	\$1,000,000	\$737,000	\$1,737,000
West Virginia	0.01428450	\$1,000,000	\$602,000	\$1,602,000
Wisconsin	0.02561357	\$1,000,000	\$1,079,000	\$2,079,000
Wyoming	0.00290131	\$1,000,000	\$122,000	\$1,122,000
Totals		\$53,000,000	\$42,136,000	\$95,136,000
National Office Reserve				\$10,572,245
Grand Total				\$105,708,245

	Basic Formula	Base Allocation	Base Formula	FY 2012
Alabama	0.03824288	\$50,000	\$242,500	\$292,500
Alaska	0.00367702	\$50,000	\$23,300	\$73,300
Arizona	0.01988699	\$50,000	\$126,100	\$176,100
Arkansas	0.02390879	\$50,000	\$151,600	\$201,600
California	0.03951610	\$50,000	\$250,500	\$300,500
Colorado	0.01229015	\$50,000	\$77,900	\$127,900
Delaware	0.00250560	\$50,000	\$15,900	\$65,900
Maryland	0.00955327	\$50,000	\$60,600	\$110,600
Florida	0.03884661	\$50,000	\$246,300	\$296,300
Virgin Islands		\$50,000	\$0	\$50,000
Georgia	0.04659051	\$50,000	\$295,400	\$345,400
Hawaii	0.00176853	\$50,000	\$11,200	\$61,200
W. Pacific Areas		\$50,000	\$0	\$50,000
Idaho	0.00801558	\$50,000	\$50,800	\$100,800
Illinois	0.02225834	\$50,000	\$141,100	\$191,100
Indiana	0.02567130	\$50,000	\$162,800	\$212,800
Iowa	0.01491283	\$50,000	\$94,600	\$144,600
Kansas	0.01036824	\$50,000	\$65,700	\$115,700
Kentucky	0.03741956	\$50,000	\$237,300	\$287,300
Louisiana	0.02349267	\$50,000	\$149,000	\$199,000
Maine	0.01203465	\$50,000	\$76,300	\$126,300
Massachusetts	0.00604875	\$50,000	\$38,400	\$88,400
Connecticut	0.00453020	\$50,000	\$28,700	\$78,700
Rhode Island	0.00097908	\$50,000	\$6,200	\$56,200
Michigan	0.03901934	\$50,000	\$247,400	\$297,400
Minnesota	0.02011661	\$50,000	\$127,500	\$177,500
Mississippi	0.03138458	\$50,000	\$199,000	\$249,000
Missouri	0.02933421	\$50,000	\$186,000	\$236,000
Montana	0.00705207	\$50,000	\$44,700	\$94,700
Nebraska	0.00747142	\$50,000	\$47,400	\$97,400
Nevada	0.00621267	\$50,000	\$39,400	\$89,400
New Jersey	0.00633731	\$50,000	\$40,200	\$90,200
New Mexico	0.00943494	\$50,000	\$59,800	\$109,800
New York	0.03325181	\$50,000	\$210,800	\$260,800
North Carolina	0.05000000	\$50,000	\$317,000	\$367,000
North Dakota	0.00415681	\$50,000	\$26,400	\$76,400
Ohio	0.03760234	\$50,000	\$238,400	\$288,400
Oklahoma	0.02092777	\$50,000	\$132,700	\$182,700
Oregon	0.01092121	\$50,000	\$69,200	\$119,200
Pennsylvania	0.03837550	\$50,000	\$243,300	\$293,300
Puerto Rico	0.01059522	\$50,000	\$67,200	\$117,200
South Carolina	0.03182927	\$50,000	\$201,800	\$251,800
South Dakota	0.00632548	\$50,000	\$40,100	\$90,100
Tennessee	0.03929086	\$50,000	\$249,100	\$299,100
Texas	0.05000000	\$50,000	\$317,000	\$367,000
Utah	0.00533357	\$50,000	\$33,800	\$83,800
Vermont	0.00535483	\$50,000	\$34,000	\$84,000
New Hampshire	0.00636090	\$50,000	\$40,300	\$90,300
Virginia	0.03070706	\$50,000	\$194,700	\$244,700
Washington	0.01737564	\$50,000	\$110,200	\$160,200
West Virginia	0.01716079	\$50,000	\$108,800	\$158,800
Wisconsin	0.02307334	\$50,000	\$146,300	\$196,300
Wyoming	0.00247682	\$50,000	\$15,700	\$65,700
Totals		\$2,650,000	\$6,340,400	\$8,990,400
EZ/EC/REAP Reserve				\$100,000
Child Care Reserve				\$1,136,300
National Office Reserve				\$1,136,300
Grand Total				\$11,363,000

HOUSING AND COMMUNITY FACILITIES PROGRAMS  
SINGLE FAMILY HOUSING

I. General.

A. This Attachment provides SFH allocations for FY 2015. Allocation computations have been made in accordance with §§ 1940.563 through 1940.568 of this Instruction. Program contacts for funds held in the National Office are located on a chart on page 10 of this Subpart. Information on basic formula criteria, data source and weight, administrative allocation, pooling of funds, and availability of the allocation are located on a chart on page 11 of this Part III.

B. 20X20X16

To the maximum extent possible, loan, grant, and guaranteed funds should be directed to census tracts with at least 20% of its population in poverty. This emphasis will support Rural Development's goal of providing 20% of its funding by the year 2016 to these areas of need.

C. For FY 2015, State Directors will have the flexibility to transfer their initial allocations of budget authority between the Section 504 Rural Housing Repair Grant program and the Section 533 Housing Preservation Grant (HPG) program when funds allocated under the HPG program are uncommitted after receipt of HPG applications.

Rural Housing Assistant Grants (RHAG) transfers cannot be considered until after the last day for applicants to file HPG applications in order to allow time to determine if funds are available for transfer. If a State Director determines that they cannot fully utilize their Section 504 grant allocation, they may request to transfer unusable funds to the Section 533 HPG program.

Of the total unusable Section 504 grant funds, the maximum transfer to Section 533 grant funds will be 25 percent. The remaining 75 percent of the Section 504 grant funds will be returned to the National Office reserve to meet the Section 504 grant needs of senior citizens in other states.

Of the total unusable Section 504 grant funds, the maximum cumulative transfer amount to Section 533 grant funds is 10% of the Section 533 allocation or \$353,799 without triggering a reprogramming letter to Congress. Transfers exceeding this amount will require a reprogramming letter to Congress for them to act upon at their discretion.

D. Exception authority. The Administrator, or designee, may, in individual cases, make an exception to any of the requirements of this Attachment which are not inconsistent with the authorizing statute or regulations if the Administrator finds that application of such requirement or failure to take action would adversely affect the interest of the Government.

The Administrator, or designee, may exercise this authority upon request by a State Director. These requests must be supported by information that demonstrates the adverse impact or effect on the program if the exception authority is not exercised.

- E. In addition, the Administrator, or designee, reserves the right to change pooling dates, establish or change minimum or maximum fund usage from set asides and reserves, or restrict participation in set asides and reserves as allowed by statute. The SFH levels authorized for FY 2015 are as follows:

Section 502 Guaranteed Rural Housing (RH) Loans	\$24,000,000,000
Nonsubsidized Guarantees Purchase	\$23,520,000,000
Nonsubsidized Guarantees Refinance	\$480,000,000
Section 502 Direct RH Loans 1/	\$900,000,000
Very low-income Subsidized Loans	\$360,000,000
Low-Income Subsidized loans	\$540,000,000
Credit sales (Nonprogram)	\$10,000,000
Section 504 Housing Repair Loans 1/	\$26,279,401
Section 504 Housing Repair Grants 1/2/	\$28,701,000
Section 509 Compensation for Construction Defects 3/	\$371,988.53
Section 523 Mutual and Self-help Housing Grants and Contracts 2/	\$27,500,000
Section 523 Self-Help Site Loans	\$5,000,000
Section 524 Site Loans	\$5,000,000
Section 306C Water and Waste Disposal Grants 2/	\$1,000,000

- 1/ Includes funds for REAP communities. After August 15, 2015, funds will be available for regular program.  
 2/ Carryover funds are not included.  
 3/ This is a carryover balance. No new funds were allocated for FY 2015.

- F. SFH funding not allocated to States are:

1. Credit Sale Authority. Credit sale funds are available only for nonprogram sales of Real Estate Owned (REO) property. There will be no State distribution of nonprogram credit sale authority; rather funds will be available on a first-come, first-served basis. A separate reserve of Section 502 loan funding is being maintained in the National Office for the sale of program property to program applicants. Requests should be submitted using the National Office Reserve Funds (NORF) system as described on page 8, paragraph II.B.4.d. of this Attachment. The requested amount and the amount reflected in MortgageServ must match in order for the request to be considered.

2. Section 509 Compensation for Construction Defects. All claims for compensation for construction defects, along with the borrower's case file, must be submitted to the National Office for authorization of funds prior to approval. After receipt of the authorization, claims may be approved and submitted to the finance office for funding. There is a carryover unobligated balance of \$371,988.53. No additional funding was appropriated for FY 2015.
  
3. Section 523 Mutual and Self-help Technical Assistance Grants. The State Director must request funding approval from the National Office for all requests. A technical review and analysis must be completed by the Technical and Management Assistance (T&MA) contractor on all predevelopment, new and existing (refunding) grant applications. In addition to the T&MA contractor's review, Agency personnel must also review and evaluate the feasibility of the grantee's request and make the appropriate recommendation. The level of National office review will be based on the amount of the grant:
  - (a) For grant requests of \$300,000 or less, the State Director should submit:
    - (1) the analysis from the T&MA contractor;
    - (2) statement indicating whether or not the grant recipient will be working in Rural Economic Area Partnerships (REAP) and census tract designation of area;
    - (3) the State Director's recommendation;
    - (4) a copy of the conditions to be met;
    - (5) a copy of Form RD 1940-1, Request for Obligation of Funds;
    - (6) if the grantee is a marginal performer, specific information showing actions to correct performance, and
    - (7) USDA Survey on Ensuring Equal Opportunity for Applicants.
  
  - (b) For grant requests that exceed \$300,000, the complete application docket along with the items mentioned above, must be sent to the National Office.

For Section 523 Mutual and Self-Help Technical Assistance Grants, \$27,500,000 is appropriated. All Section 523 grants will be obligated in the National Office to enable National Office staff to better monitor fund utilization.

4. Section 523 Self-Help Site Loans and Section 524 RH Site Loans. The State Director must request and receive funding authority from the National Office prior to obligating loan funds. For FY 2015, \$5,000,000 was appropriated for Section 523 Site Loans and \$5,000,000 for Section 524 Site Loan.
5. Section 306C Water and Waste Disposal (WWD) Grants to Individuals in Colonias. The objective of the Section 306C WWD individual grant program is to facilitate the use of community water or waste disposal systems for the residents of the colonias along the U.S. Mexico border. Colonias are located in the States of Arizona, California, New Mexico and Texas.

A colonia is defined as the area of the United States within 150 miles of the border between the United States and Mexico except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000; is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe and sanitary housing; and was existing as a colonia before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act.

Eligible areas under Section 306C WWD may be different from areas under the 5 percent set-aside for the 100 underserved counties and colonias. The amount of funding allocated to Arizona, California, New Mexico and Texas will be \$1,000,000 for FY 2015. Allocations will be distributed to the above States for processing individual grant applications

6. Section 525 Technical and Supervisory Assistance (TSA) and Section 509 Housing Application Packaging Grants (HAPG). There is no FY 2015 funding for these programs.
7. Natural Disaster Funds. There are no natural disaster funds available. Should disaster funding be authorized, the Agency will obtain a formal OGC opinion regarding the appropriate use of emergency funds prior to approving applications for designated disasters.
8. Deferred Mortgage Payment Demonstration. There is no FY 2015 funding provided for deferred mortgage authority or loans for deferred mortgage assumptions.
9. Section 502 Direct Funds for Families not Qualifying for Payment Assistance. Funds from a State's allocation may be used for qualified very low- and low-income applicants when the payment assistance formula shows there is no need for the subsidy. This assistance will be taken from the State's subsidized regular funding.

II. State Allocations. State allocation distributions can be found on pages 12 through 19 of this Subpart.

A. Section 502 nonsubsidized guaranteed RH (GRH) loans. The pooling date for all Section 502 non-subsidized guaranteed RH funds will be August 15, 2015, if needed. However, if funds are used at a faster rate than anticipated, the pooling date may be moved forward and the National Office may opt to pool funds more than once. If funds are used at a slower rate than anticipated, pooling may be delayed. If it appears that ample funds will remain available for the entire year, the National Office may cancel the pooling of GRH funds.

If analysis of the utilization of funds during the fiscal year indicates that, at the rate of current utilization, funds may not be sufficient to sustain that level of activity for the remainder of the fiscal year, the Agency may determine a shortage of funds exists. A determination that a shortage of funds exists will be made if, based on current obligation rates, funds are projected to run out before the end of the fiscal year. Upon the determination that a shortage of funds exists, applications from first time homebuyers, veterans, and veteran family members will be prioritized in accordance with HB-1-3555, Chapter 14, Section 14.3.

1. Purchase - Amount available for allocation for annually allocated funds.

Total Available - Purchase	\$23,520,000,000
Less National Office General Reserve	\$5,520,000,000
Basic Formula and Administrative Allocation	\$18,000,000,000

National Office General Reserve. Requests for National Office reserve funds should be submitted by e-mail to the Guaranteed Loan Division's e-mail address of [sfhqld@wdc.usda.gov](mailto:sfhqld@wdc.usda.gov) with "Funding Request" or "Request for Funds" in the subject line. Your request should be placed in the body of the e-mail message and must have the following information: Amount of the Purchase Funds requested; and under which category: General or Special Outreach. The NORF system is not used for guaranteed funds. The Administrator may restrict access to this reserve for States not meeting their goals in special outreach areas.

- (a) Sub-allocation by the State Director. The State Director may retain funds at the State office level or sub-allocate to the area or field office level.
  - (b) Special Outreach Areas. In FY 2015, the National Office will not allocate funds for specific use in special outreach areas. However, tracking of funds usage in special outreach areas will be continually tracked using reports from the RD Data Warehouse. States should monitor funds usage in special outreach areas to ensure 30 percent of GRH funds are used in special outreach areas. Special outreach areas for the GRH program are defined as those areas within a State that are not located within a Metropolitan Statistical Area (MSA).
2. Refinance - Amount available for annually allocated funds.
- |   |               |
|---|---------------|
| Total Available - Refinance                 | \$480,000,000 |
| Less National Office General Reserve        | \$480,000,000 |
| Basic Formula and Administrative Allocation | \$ -0-        |
- (a) Refinance Funds. Refinance funds use a different Type of Assistance code in the Guaranteed Loan System. The funds are currently tracked in the Program Funds Control System (PFCS) as a separate allocation. Refinance loan funds will not be distributed to each State this year due to the industry wide reduction of loan refinances and the wide variations in refinance activity across the country. Funds will be managed by the National Office and distributed to each State on a loan-by-loan basis to ensure sufficient funding in all States for refinance loans.
  - (b) National Office General Reserve. Requests for National Office reserve funds should be submitted by e-mail to the Guaranteed Loan Division's e-mail address of [sfhqld@wdc.usda.gov](mailto:sfhqld@wdc.usda.gov) with "Funding Request" or "Request for Funds" in the subject line. Your request should be placed in the body of the e-mail message and must have the following information: Amount of the Refinance Funds requested. The NORF system is not used for guaranteed funds. The Administrator may restrict access to this reserve for States not meeting their goals in special outreach areas.
  - (c) Allocation of funds. The National Office will not allocate refinance funds to each State using the basic allocation formula. Funds will be distributed to each State on a loan-by-loan basis, and will be tracked by the National Office.



(d) Sub-allocation by the State Director. The State Director may not retain funds at the State office level or sub-allocate to the area or field office level.

B. Section 502 Direct RH Loans.

1. Amount available for allocation of annual funds.

Total Available	\$900,000,000
Less Required Set Aside--5% Underserved Counties and Colonias	45,000,000
Less REAP	1,587,977
Less Self-Help	67,750,677
Less General Reserve	180,000,000
Basic Formula and Administrative Allocation	605,661,346

2. Base Allocation. Each State will receive a base allocation in accordance with § 1940.552(e). The base allocation for FY 2015 is \$4,000,000. This will ensure that each state receives at least \$4,000,000.

3. Nationally not less than 40 percent of funds, and not less than 30 percent of funds for an individual State, will be made available for very low-income applicants.

4. Reserves - Annual Appropriations.

a. Program Real Estate Owned (REO) Sales. There will be no State distribution of REO funds. Rather, States are expected to fund Program REO sales from their own reserve. Requests should be submitted using the NORF system, as described on page 8, paragraph II.B.4.d. of this Attachment. The requested amount and the amount reflected in MortgageServ must match in order for requests to be considered.

b. Underserved Counties and Colonias. For the 100 underserved counties and colonias, \$45,000,000 has been made available. The underserved counties and colonias are identified in pages 20 through 22 of this Attachment. Requests should be submitted using the NORF system, as described on page 8, paragraph II.B.4.d. of this Attachment. Additional underserved counties may be requested after June 30, 2015. Allocation amounts for underserved and colonia areas are listed on page 17.

- c. Rural Economic Area Partnership (REAP) Zones Set-Aside. For REAP Zones, \$1,587,977 has been made available. If these funds are not obligated for REAP Zones by August 15, 2015, they shall remain available for other authorized purposes. Allocation amounts for REAP Zones funds are listed on page 18.
  - d. Reserve Requests. States that have fully utilized their allocations are eligible for National Office reserve funds. Requests for Hardship/Homeless and Program REO funding must be submitted on a case-by-case basis utilizing the NORF system. Requests must include the applicant's name, account number, full loan amount, amount being requested, income category, and a justification, if applicable. The information in the requests must exactly match what is in MortgageServ. Requests with inconsistencies between NORF and MortgageServ will not be processed. States that have fully utilized their allocations may request lump sum amounts using the appropriate survey tool in accordance with periodic instructions from the National Office.
  - e. State Office Pooling. If pooling is conducted within a State, it must not take place within the first 30 calendar days of the first, second, or third quarter. (There are no restrictions on pooling in the fourth quarter.) Pooled funds may be redistributed by the State Director provided the State Director has determined that the pooled funds could not be used in the field offices receiving the funds allocated in accordance with this Instruction. This determination will be in writing, filed in the State office, and will include a statement that all appropriate efforts were made to use the funds, as allocated.
  - f. Suballocation by the State Director. The State Director may suballocate funding to each area office using the methodology and formulas required by this Instruction. If the suballocation is to the area level, the Area Director will make funds available on a first-come, first-served basis to offices at the field or area level. No Field Office will have its access to funds restricted without the prior written approval of the Administrator. State Directors may hold funds in reserve for leveraging and other initiatives.
- C. Section 504 Housing Loans and Grants. Section 504 grant funds are included in RHAG in the FY 2015 appropriation. Funds included in RHAG may be transferred in accordance with Section I B of this Attachment.

1. Amount available for allocation of annual funds.

Section 504 Loans:

Total available	\$26,279,401
Less 5% For 100 Underserved Counties and Colonias	1,313,970
Less REAP Zones Set-Aside	45,979
Less General Reserve	600,000
Basic formula - Administrative Allocation	24,319,452

Section 504 Grants:

Total Available	\$28,701,000
Less 5% for 100 Underserved Counties and Colonias	1,435,050
Less REAP Zones Set-Aside	42,500
Less General Reserve	1,000,000
Basic Formula - Administrative Allocation	26,223,450

2. Reserves - Annual Appropriations.

- (a) Underserved Counties and Colonias. For the 100 underserved counties and colonias, \$1,313,970 and \$1,435,050 is available for the Section 504 loan and grant programs, respectively. The underserved counties are identified in pages 20 through 22 of this Attachment. Allocation amounts for underserved and colonias areas are listed on page 17.
- (b) Rural Economic Area Partnership (REAP). For REAP Zones, \$45,979 and \$42,500 is available for the Section 504 loan and grant programs, respectively. If these funds are not obligated for REAP Zones by August 15, 2015, they shall remain available for other authorized purposes. Allocation amounts for REAP Zones funds are listed on page 18.
- (c) Requesting Section 504 Loan and Grant Funds. Requests for Section 504 loan and grant funds from the National Office reserve should be submitted on a case-by-case basis utilizing the NORF system, as described on page 8, paragraph II.B.4.d. of this Attachment.

**National Office Contacts for Program Initiatives**

<b>Program Initiatives</b>	<b>Contact</b>	<b>Phone #</b>
504 Loan & Grant Requests	Myron Wooden	(804) 287-1559
Compensation for Construction Defects	Myron Wooden	(804) 287-1559
Funds for Sale of Program/Non-Program Real Estate Owned (REO) Properties	Renee May	(314) 457-5440
Hardship and Homelessness Requests (502)	Scott Nista	(804) 287-1532
Hardship Requests (504)	Myron Wooden	(804) 287-1559
Matching funds for States with approved Mutual Self-Help Housing Grants	Scott Nista	(804) 287-1532
Mutual & Self-Help Technical Assistance Grants	Myron Wooden	(804) 287-1559
Section 523 Self-Help and Section 524 Site Loans	Carolyn Bell	(202) 720-1532
National Office Reserve Funds (NORF) System	Scott Nista	(804) 287-1532
Rural Housing Demonstration Program	Carolyn Bell	(202) 720-1532
SFH Guaranteed Loan Division National Office Reserves	Melvin Carroll or Dave Chaput	(202) 690-4742 (202) 720-1456
502 Underserved Counties and Colonias	Scott Nista	(804) 287-1532
504 Underserved Counties and Colonias	Myron Wooden	(804) 287-1559

**Information on basic formula criteria, data source and weight, administrative allocation, pooling of funds, and availability of the allocation**

#	DESCRIPTION	SECTION 502 NONSUBSIDIZED GUARANTEED RH LOANS	SECTION 502 DIRECT RH LOANS Annual	SECTION 504 LOANS	SECTION 504 GRANTS
1/	<b>Basic formula criteria, data source, and weight</b>				
		See §1940.563(b) of this instruction.	See §1940.565(b) of this instruction.	See § 1940.566(b) of this instruction	See §1940.567(b) of this instruction.
2/	<b>Administrative Allocation</b>				
	Western Pacific Area	\$8,000,000	\$2,000,000	\$500,000	\$145,000
3/	<b>Pooling of funds.</b>				
	a.				
	b. Year-end pooling	August 15, 2015	July 17, 2015	July 17, 2015	July 17, 2015
	c. Underserved counties & colonias	N/A	June 30, 2015	June 30, 2015	June 30, 2015
	d. REAP	N/A	June 30, 2015	June 30, 2015	June 30, 2015
4/	<b>Availability of the allocation.</b>				
	a. first quarter	50 percent	50 percent	50 percent	50 percent
	b. second quarter	75 percent	100 percent	100 percent	100 percent
	c. third quarter	100 percent	100 percent	100 percent	100 percent
	d. fourth quarter	100 percent	100 percent	100 Percent	100 Percent
1/	Data derived from the 2000 U.S. Census is available on the web at <a href="http://census.sc.egov.usda.gov">http://census.sc.egov.usda.gov</a> .				
2/	Due to the absence of Census data.				
3/	All dates are tentative and are for the close of business (COB). Pooled funds will be placed in the National Office reserve and made available administratively. The Administrator reserves the right to redistribute funds based upon program performance.				
4/	Funds will be distributed cumulatively through each quarter listed until the National Office year-end pooling date.				

Housing and Community Facility Programs FY 2015  
 Allocation in Actual Dollars  
 Section 502 Direct Rural Housing Loans

STATE	STATE FORMULA FACTOR	TOTAL ALLOCATION
ALABAMA	0.02844245	\$15,253,576
ALASKA	0.00627673	\$6,483,459
ARIZONA	0.01548737	\$10,127,752
ARKANSAS	0.02190903	\$12,668,555
CALIFORNIA	0.04292649	\$20,984,353
COLORADO	0.01244512	\$8,924,055
CONNECTICUT	0.00454207	\$5,797,123
DELAWARE	0.00296616	\$5,173,594
FLORIDA	0.02788581	\$15,033,337
GEORGIA	0.03777858	\$18,947,523
HAWAII	0.00623546	\$6,467,131
IDAHO	0.00855843	\$7,386,238
ILLINOIS	0.02647005	\$14,473,177
INDIANA	0.02670745	\$14,567,108
IOWA	0.01790223	\$11,083,218
KANSAS	0.01351975	\$9,349,243
KENTUCKY	0.02773023	\$14,971,781
LOUISIANA	0.02305797	\$13,123,146
MAINE	0.01112896	\$8,403,299
MARYLAND	0.01024032	\$8,051,698
MASSACHUSETTS	0.00623729	\$6,467,855
MICHIGAN	0.03637772	\$18,393,258
MINNESOTA	0.02383588	\$13,430,937
MISSISSIPPI	0.02590762	\$14,250,645
MISSOURI	0.02823574	\$15,171,791
MONTANA	0.00742692	\$6,938,546
NEBRASKA	0.00965441	\$7,819,876
NEVADA	0.00342781	\$5,356,253
NEW HAMPSHIRE	0.00678421	\$6,684,250
NEW JERSEY	0.00562737	\$6,226,532
NEW MEXICO	0.01289754	\$9,103,058
NEW YORK	0.03409361	\$17,489,524
NORTH CAROLINA	0.05132449	\$24,307,116
NORTH DAKOTA	0.00469185	\$5,856,382
OHIO	0.03793548	\$19,009,605
OKLAHOMA	0.02012348	\$11,962,082
OREGON	0.01667114	\$10,596,126
PENNSYLVANIA	0.04312056	\$21,061,141
PUERTO RICO	0.00872000	\$7,450,168
RHODE ISLAND	0.00091492	\$4,361,998
SOUTH CAROLINA	0.02638473	\$14,439,418
SOUTH DAKOTA	0.00706033	\$6,793,502
TENNESSEE	0.03042530	\$16,038,116
TEXAS	0.07354840	\$33,100,258
UTAH	0.00509301	\$6,015,107
VERMONT	0.00585464	\$6,316,455
VIRGINIA	0.02726736	\$14,788,640
WASHINGTON	0.01952742	\$11,726,247
WEST VIRGINIA	0.01577086	\$10,239,919
WISCONSIN	0.02679657	\$14,602,366
WYOMING	0.00394678	\$5,561,588
VIRGIN ISLANDS	0.00210589	\$4,833,221
WEST PAC ISLANDS	N/A	\$2,000,000
STATE TOTALS		\$605,661,346
GENERAL RESERVE		\$180,000,000
SET ASIDES		\$114,338,655
TOTAL		\$900,000,000

Housing and Community Facility Programs FY 2015  
Allocation in Actual Dollars  
Section 502 Direct Rural Housing Loans

STATE	TOTAL ALLOCATION	VERY LOW (40%)	LOW (60%)
ALABAMA	\$15,253,576	\$6,101,431	\$9,152,146
ALASKA	\$6,483,459	\$2,593,384	\$3,890,076
ARIZONA	\$10,127,752	\$4,051,101	\$6,076,651
ARKANSAS	\$12,668,555	\$5,067,422	\$7,601,133
CALIFORNIA	\$20,984,353	\$8,393,741	\$12,590,612
COLORADO	\$8,924,055	\$3,569,622	\$5,354,433
CONNECTICUT	\$5,797,123	\$2,318,849	\$3,478,274
DELAWARE	\$5,173,594	\$2,069,437	\$3,104,156
FLORIDA	\$15,033,337	\$6,013,335	\$9,020,002
GEORGIA	\$18,947,523	\$7,579,009	\$11,368,514
HAWAII	\$6,467,131	\$2,586,852	\$3,880,279
IDAHO	\$7,386,238	\$2,954,495	\$4,431,743
ILLINOIS	\$14,473,177	\$5,789,271	\$8,683,906
INDIANA	\$14,567,108	\$5,826,843	\$8,740,265
IOWA	\$11,083,218	\$4,433,287	\$6,649,931
KANSAS	\$9,349,243	\$3,739,697	\$5,609,546
KENTUCKY	\$14,971,781	\$5,988,712	\$8,983,069
LOUISIANA	\$13,123,146	\$5,249,259	\$7,873,888
MAINE	\$8,403,299	\$3,361,319	\$5,041,979
MARYLAND	\$8,051,698	\$3,220,679	\$4,831,019
MASSACHUSETTS	\$6,467,855	\$2,587,142	\$3,880,713
MICHIGAN	\$18,393,258	\$7,357,303	\$11,035,955
MINNESOTA	\$13,430,937	\$5,372,375	\$8,058,562
MISSISSIPPI	\$14,250,645	\$5,700,258	\$8,550,387
MISSOURI	\$15,171,791	\$6,068,717	\$9,103,075
MONTANA	\$6,938,546	\$2,775,419	\$4,163,128
NEBRASKA	\$7,819,876	\$3,127,951	\$4,691,926
NEVADA	\$5,356,253	\$2,142,501	\$3,213,752
NEW HAMPSHIRE	\$6,684,250	\$2,673,700	\$4,010,550
NEW JERSEY	\$6,226,532	\$2,490,613	\$3,735,919
NEW MEXICO	\$9,103,058	\$3,641,223	\$5,461,835
NEW YORK	\$17,489,524	\$6,995,809	\$10,493,714
NORTH CAROLINA	\$24,307,116	\$9,722,846	\$14,584,270
NORTH DAKOTA	\$5,856,382	\$2,342,553	\$3,513,829
OHIO	\$19,009,605	\$7,603,842	\$11,405,763
OKLAHOMA	\$11,962,082	\$4,784,833	\$7,177,249
OREGON	\$10,596,126	\$4,238,451	\$6,357,676
PENNSYLVANIA	\$21,061,141	\$8,424,456	\$12,636,684
PUERTO RICO	\$7,450,168	\$2,980,067	\$4,470,101
RHODE ISLAND	\$4,361,998	\$1,744,799	\$2,617,199
SOUTH CAROLINA	\$14,439,418	\$5,775,767	\$8,663,651
SOUTH DAKOTA	\$6,793,502	\$2,717,401	\$4,076,101
TENNESSEE	\$16,038,116	\$6,415,247	\$9,622,870
TEXAS	\$33,100,258	\$13,240,103	\$19,860,155
UTAH	\$6,015,107	\$2,406,043	\$3,609,064
VERMONT	\$6,316,455	\$2,526,582	\$3,789,873
VIRGINIA	\$14,788,640	\$5,915,456	\$8,873,184
WASHINGTON	\$11,726,247	\$4,690,499	\$7,035,748
WEST VIRGINIA	\$10,239,919	\$4,095,968	\$6,143,951
WISCONSIN	\$14,602,366	\$5,840,946	\$8,761,420
WYOMING	\$5,561,588	\$2,224,635	\$3,336,953
VIRGIN ISLANDS	\$4,833,221	\$1,933,288	\$2,899,933
WEST PAC ISLANDS	\$2,000,000	\$800,000	\$1,200,000
STATE TOTALS	\$605,661,346	\$242,264,538	\$363,396,807
GENERAL RESERVE	\$180,000,000	\$72,000,000	\$108,000,000
SET ASIDES	\$114,338,655	\$45,735,462	\$68,603,193
TOTAL	\$900,000,000	\$360,000,000	\$540,000,000

Housing and Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Section 502 Guaranteed Purchase Loans (NonSubsidized)

STATE	STATE BASIC FORMULA FACTOR	STATE BASIC FORMULA	ADDITIONAL	TOTAL ALLOCATION
		ALLOCATION FY 2015	ADMINISTRATIVE ALLOCATION FY 2015	FY 2015
Alabama	0.03249522	\$519,923,520	\$0	\$519,923,520
Alaska	0.00888320	\$142,131,200	\$0	\$142,131,200
Arizona	0.01630563	\$260,890,080	\$52,589,911	\$313,479,991
Arkansas	0.02197946	\$351,671,360	\$3,578,635	\$355,249,995
California	0.04059604	\$649,536,640	\$0	\$649,536,640
Colorado	0.01239485	\$198,317,600	\$52,050,380	\$250,367,980
Connecticut	0.00466481	\$74,636,960	\$31,276,487	\$105,913,447
Delaware	0.00297302	\$47,568,320	\$39,720,740	\$87,289,060
Florida	0.03267356	\$522,776,960	\$50,465,296	\$573,242,256
Georgia	0.04584846	\$733,575,360	\$0	\$733,575,360
Hawaii	0.00400587	\$64,093,920	\$84,181,300	\$148,275,220
Idaho	0.00826498	\$132,239,680	\$40,844,423	\$173,084,103
Illinois	0.01984958	\$317,593,280	\$11,126,248	\$328,719,528
Indiana	0.02398403	\$383,744,480	\$67,336,386	\$451,080,866
Iowa	0.01455768	\$232,922,880	\$0	\$232,922,880
Kansas	0.01028159	\$164,505,440	\$0	\$164,505,440
Kentucky	0.02950597	\$472,095,520	\$0	\$472,095,520
Louisiana	0.02163551	\$346,168,160	\$175,324,813	\$521,492,973
Maine	0.01299403	\$207,904,480	\$23,171,902	\$231,076,382
Maryland	0.01008187	\$161,309,920	\$150,035,022	\$311,344,942
Massachusetts	0.00580736	\$92,917,760	\$64,030,118	\$156,947,878
Michigan	0.03637262	\$581,961,920	\$40,261,358	\$622,223,278
Minnesota	0.01996140	\$319,382,400	\$83,512,487	\$402,894,887
Mississippi	0.02576503	\$412,240,480	\$0	\$412,240,480
Missouri	0.02907684	\$465,229,440	\$34,979,488	\$500,208,928
Montana	0.00766151	\$122,584,160	\$40,564,922	\$163,149,082
Nebraska	0.00702308	\$112,369,280	\$0	\$112,369,280
Nevada	0.00271172	\$43,387,520	\$42,670,090	\$86,057,610
New Hampshire	0.00775470	\$124,075,200	\$6,594,947	\$130,670,147
New Jersey	0.00627364	\$100,378,240	\$62,653,408	\$163,031,648
New Mexico	0.01020446	\$163,271,360	\$0	\$163,271,360
New York	0.03652490	\$584,398,400	\$0	\$584,398,400
North Carolina	0.06175780	\$988,124,800	\$0	\$988,124,800
North Dakota	0.00381076	\$60,972,160	\$0	\$60,972,160
Ohio	0.03565105	\$570,416,800	\$0	\$570,416,800
Oklahoma	0.01867670	\$298,827,200	\$0	\$298,827,200
Oregon	0.01271935	\$203,509,600	\$106,890,692	\$310,400,292
Pennsylvania	0.04000033	\$640,005,280	\$0	\$640,005,280
Puerto Rico	0.00599527	\$95,924,320	\$106,493,297	\$202,417,617
Rhode Island	0.00115124	\$18,419,840	\$6,322,198	\$24,742,038
South Carolina	0.02978507	\$476,561,120	\$11,715,788	\$488,276,908
South Dakota	0.00590204	\$94,432,640	\$46,544,672	\$140,977,312
Tennessee	0.03474083	\$555,853,280	\$115,541,515	\$671,394,795
Texas	0.07374734	\$1,179,957,440	\$0	\$1,179,957,440
Utah	0.00450823	\$72,131,680	\$173,794,461	\$245,926,141
Vermont	0.00687211	\$109,953,760	\$0	\$109,953,760
Virgin Islands	0.00000000	\$0	\$500,000	\$500,000
Virginia	0.03178026	\$508,484,160	\$34,918,883	\$543,403,043
Washington	0.01985251	\$317,640,160	\$126,616,180	\$444,256,340
West Virginia	0.01519023	\$243,043,680	\$0	\$243,043,680
Western Pacific	0.00000000	\$0	\$8,000,000	\$8,000,000
Wisconsin	0.02564502	\$410,320,320	\$0	\$410,320,320
Wyoming	0.00310123	\$49,619,680	\$105,694,113	\$155,313,793
STATE TOTALS				\$18,000,000,000
NATIONAL RESERVE				\$5,520,000,000
TOTAL				\$23,520,000,000



Housing and Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Section 504 Direct Rural Housing Loans

STATE	STATE FORMULA FACTOR	TOTAL ALLOCATION
ALABAMA	0.02925358	\$696,804
ALASKA	0.00951294	\$226,593
ARIZONA	0.02178731	\$518,962
ARKANSAS	0.02310634	\$550,380
CALIFORNIA	0.05385554	\$1,282,809
COLORADO	0.01250401	\$297,839
CONNECTICUT	0.00302299	\$72,006
DELAWARE	0.00261784	\$62,356
FLORIDA	0.02875104	\$684,834
GEORGIA	0.03886596	\$925,766
HAWAII	0.00919851	\$219,103
IDAHO	0.00930726	\$221,694
ILLINOIS	0.02296097	\$546,918
INDIANA	0.02170760	\$517,063
IOWA	0.01501998	\$357,768
KANSAS	0.01257087	\$299,431
KENTUCKY	0.02708708	\$645,200
LOUISIANA	0.02670452	\$636,087
MAINE	0.01007956	\$240,090
MARYLAND	0.00811520	\$193,300
MASSACHUSETTS	0.00468999	\$111,713
MICHIGAN	0.03046896	\$725,754
MINNESOTA	0.02250190	\$535,983
MISSISSIPPI	0.02957470	\$704,453
MISSOURI	0.02659015	\$633,363
MONTANA	0.00751201	\$178,932
NEBRASKA	0.00893030	\$212,715
NEVADA	0.00391323	\$93,211
NEW HAMPSHIRE	0.00535610	\$127,579
NEW JERSEY	0.00403994	\$96,229
NEW MEXICO	0.01732927	\$412,774
NEW YORK	0.02837997	\$675,995
NORTH CAROLINA	0.05012516	\$1,193,954
NORTH DAKOTA	0.00446662	\$106,392
OHIO	0.03035132	\$722,952
OKLAHOMA	0.02093214	\$498,592
OREGON	0.01757567	\$418,643
PENNSYLVANIA	0.03518560	\$838,102
PUERTO RICO	0.01370152	\$326,363
RHODE ISLAND	0.00061192	\$14,576
SOUTH CAROLINA	0.02732492	\$650,865
SOUTH DAKOTA	0.00730138	\$173,915
TENNESSEE	0.02884509	\$687,074
TEXAS	0.08670574	\$2,065,283
UTAH	0.00541788	\$129,051
VERMONT	0.00498085	\$118,641
VIRGINIA	0.02464599	\$587,054
WASHINGTON	0.02124367	\$506,013
WEST VIRGINIA	0.01469696	\$350,073
WISCONSIN	0.02308372	\$549,841
WYOMING	0.00398624	\$94,950
VIRGIN ISLANDS	0.00350195	\$83,415
WEST PAC ISLANDS	N/A	\$500,000
STATE TOTALS		\$24,319,452
GENERAL RESERVE		\$600,000
SET ASIDES		\$1,359,949
TOTAL		\$26,279,401

Housing and Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Section 504 Direct Rural Housing Grants

STATE	STATE FORMULA FACTOR	TOTAL ALLOCATION
ALABAMA	0.02925358	\$756,924
ALASKA	0.00951294	\$179,423
ARIZONA	0.02178731	\$477,455
ARKANSAS	0.02310634	\$603,539
CALIFORNIA	0.05385554	\$1,234,161
COLORADO	0.01250401	\$303,351
CONNECTICUT	0.00302299	\$96,971
DELAWARE	0.00261784	\$76,621
FLORIDA	0.02875104	\$795,448
GEORGIA	0.03886596	\$957,832
HAWAII	0.00919851	\$191,732
IDAHO	0.00930726	\$223,218
ILLINOIS	0.02296097	\$690,205
INDIANA	0.02170760	\$628,751
IOWA	0.01501998	\$466,645
KANSAS	0.01257087	\$356,781
KENTUCKY	0.02708708	\$702,961
LOUISIANA	0.02670452	\$631,583
MAINE	0.01007956	\$280,901
MARYLAND	0.00811520	\$242,253
MASSACHUSETTS	0.00468999	\$143,144
MICHIGAN	0.03046896	\$863,190
MINNESOTA	0.02250190	\$614,058
MISSISSIPPI	0.02957470	\$706,252
MISSOURI	0.02659015	\$732,279
MONTANA	0.00751201	\$192,653
NEBRASKA	0.00893030	\$257,022
NEVADA	0.00391323	\$93,992
NEW HAMPSHIRE	0.00535610	\$154,071
NEW JERSEY	0.00403994	\$120,627
NEW MEXICO	0.01732927	\$372,079
NEW YORK	0.02837997	\$824,940
NORTH CAROLINA	0.05012516	\$1,312,417
NORTH DAKOTA	0.00446662	\$122,894
OHIO	0.03035132	\$894,275
OKLAHOMA	0.02093214	\$551,320
OREGON	0.01757567	\$463,211
PENNSYLVANIA	0.03518560	\$1,068,678
PUERTO RICO	0.01370152	\$268,349
RHODE ISLAND	0.00061192	\$19,550
SOUTH CAROLINA	0.02732492	\$677,652
SOUTH DAKOTA	0.00730138	\$189,246
TENNESSEE	0.02884509	\$777,011
TEXAS	0.08670574	\$2,061,894
UTAH	0.00541788	\$129,166
VERMONT	0.00498085	\$137,934
VIRGINIA	0.02464599	\$685,799
WASHINGTON	0.02124367	\$518,290
WEST VIRGINIA	0.01469696	\$407,662
WISCONSIN	0.02308372	\$657,331
WYOMING	0.00398624	\$100,776
VIRGIN ISLANDS	0.00350195	\$63,930
WEST PAC ISLANDS	N/A	\$145,000
STATE TOTALS		\$26,223,450
GENERAL RESERVE		\$1,000,000
SET ASIDES		\$1,477,500
TOTAL		\$28,701,000

Housing and Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Underserved Counties and Colonias Funds

**Underserved Counties**

	502 TOTAL UNDERSERVED AMOUNT	502 VL UNDERSERVED AMOUNT	502 Low UNDERSERVED AMOUNT	504 Loan UNDERSERVED AMOUNT	504 Grant UNDERSERVED AMOUNT
TOTALS	\$22,500,000	\$9,000,000	\$13,500,000	\$656,985	\$717,525

**Colonias**

STATE	PERCENTAGE	502 TOTAL COLONIAS AMOUNT	502 VL COLONIAS AMOUNT	502 Low COLONIAS AMOUNT	504 Loan COLONIAS AMOUNT	504 Grant COLONIAS AMOUNT
Arizona	25.00%	\$5,000,000	\$2,000,000	\$3,000,000	\$150,000	\$150,000
California	25.00%	\$5,000,000	\$2,000,000	\$3,000,000	\$150,000	\$150,000
New Mexico	25.00%	\$5,000,000	\$2,000,000	\$3,000,000	\$150,000	\$150,000
Texas	25.00%	\$5,000,000	\$2,000,000	\$3,000,000	\$150,000	\$150,000
STATE TOTALS	100.00%	\$20,000,000	\$8,000,000	\$12,000,000	\$600,000	\$600,000
COLONIAS RESERVE		\$2,500,000	\$1,000,000	\$1,500,000	\$56,985	\$117,525
TOTALS		\$22,500,000	\$9,000,000	\$13,500,000	\$656,985	\$717,525

Housing And Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Rural Economic Area Partnership Zones Funds

STATE	502 Total AMOUNT	502 VL EZ/EC/REAP AMOUNT	502 Low EZ/EC/REAP AMOUNT	504 Loan EZ/EC/REAP AMOUNT	504 Grant EZ/EC/REAP AMOUNT
ND	\$250,000	\$100,000	\$150,000	\$12,000	\$10,000
NY	\$250,000	\$100,000	\$150,000	\$12,000	\$10,000
VT	\$250,000	\$100,000	\$150,000	\$12,000	\$10,000
REAP RESERVE	\$837,977	\$335,191	\$502,786	\$9,979	\$12,500
TOTAL	\$1,587,977	\$635,191	\$952,786	\$45,979	\$42,500

Housing and Community Facilities Programs FY 2015  
 Allocation in Actual Dollars  
 Section 502 Guaranteed Refinance Loans (NonSubsidized)

STATE	STATE BASIC FORMULA FACTOR	FY 2015 ALLOCATION
ALABAMA	N/A	\$0
ALASKA	N/A	\$0
ARIZONA	N/A	\$0
ARKANSAS	N/A	\$0
CALIFORNIA	N/A	\$0
COLORADO	N/A	\$0
CONNECTICUT	N/A	\$0
DELAWARE	N/A	\$0
FLORIDA	N/A	\$0
GEORGIA	N/A	\$0
HAWAII	N/A	\$0
IDAHO	N/A	\$0
ILLINOIS	N/A	\$0
INDIANA	N/A	\$0
IOWA	N/A	\$0
KANSAS	N/A	\$0
KENTUCKY	N/A	\$0
LOUISIANA	N/A	\$0
MAINE	N/A	\$0
MARYLAND	N/A	\$0
MASSACHUSETTS	N/A	\$0
MICHIGAN	N/A	\$0
MINNESOTA	N/A	\$0
MISSISSIPPI	N/A	\$0
MISSOURI	N/A	\$0
MONTANA	N/A	\$0
NEBRASKA	N/A	\$0
NEVADA	N/A	\$0
NEW HAMPSHIRE	N/A	\$0
NEW JERSEY	N/A	\$0
NEW MEXICO	N/A	\$0
NEW YORK	N/A	\$0
NORTH CAROLINA	N/A	\$0
NORTH DAKOTA	N/A	\$0
OHIO	N/A	\$0
OKLAHOMA	N/A	\$0
OREGON	N/A	\$0
PENNSYLVANIA	N/A	\$0
PUERTO RICO	N/A	\$0
RHODE ISLAND	N/A	\$0
SOUTH CAROLINA	N/A	\$0
SOUTH DAKOTA	N/A	\$0
TENNESSEE	N/A	\$0
TEXAS	N/A	\$0
UTAH	N/A	\$0
VERMONT	N/A	\$0
VIRGIN ISLANDS	N/A	\$0
VIRGINIA	N/A	\$0
WASHINGTON	N/A	\$0
WEST PAC	N/A	\$0
WEST VIRGINIA	N/A	\$0
WISCONSIN	N/A	\$0
WYOMING	N/A	\$0
STATE TOTALS		\$0
NATIONAL OFFICE RESERVE		480,000,000
TOTAL AVAILABLE		\$480,000,000

Housing In Underserved Counties and Colonias  
 100 Eligible Counties(Page 1 of 2)

FIPS	STATE	COUNTY	Poverty Populat ion	% Substd Housing	Combined Score	Rank
1063	Alabama	Greene County	34.04%	9.17%	0.4320	75
1105	Alabama	Perry County	35.48%	9.53%	0.4501	70
1131	Alabama	Wilcox County	39.89%	10.78%	0.5067	67
2050	Alaska	Bethel Census Area	20.33%	60.17%	0.8050	64
2070	Alaska	Dillingham Census Area	21.02%	32.07%	0.5309	65
2270	Alaska	Wade Hampton Census Area	26.21%	71.78%	0.9799	62
2290	Alaska	Yukon-Koyukuk Census Area	23.50%	59.82%	0.8332	63
4001	Arizona	Apache County	37.69%	44.18%	0.8187	30
4005	Arizona	Coconino County	20.39%	24.47%	0.4487	72
4017	Arizona	Navajo County	29.41%	25.44%	0.5485	49
4023	Arizona	Santa Cruz County	24.27%	16.13%	0.4041	87
8023	Colorado	Costilla County	26.70%	12.06%	0.3876	90
12049	Florida	Hardee County	23.34%	16.06%	0.3940	87
12051	Florida	Hendry County	23.08%	16.44%	0.3952	86
13141	Georgia	Hancock County	29.55%	9.59%	0.3914	88
13273	Georgia	Terrell County	28.45%	9.11%	0.3756	95
22065	Louisiana	Madison Parish	35.62%	9.25%	0.4487	71
28021	Mississippi	Claiborne County	32.27%	9.82%	0.4209	79
28051	Mississippi	Holmes County	40.84%	11.93%	0.5277	66
28053	Mississippi	Humphreys County	38.1%	12.1%	0.502	69
28055	Mississippi	Issaquena County	33.17%	14.84%	0.4801	58
28065	Mississippi	Jefferson Davis County	28.0%	9.2%	0.373	98
28103	Mississippi	Noxubee County	32.85%	10.30%	0.4315	76
28125	Mississippi	Sharkey County	37.31%	13.63%	0.5093	53
28133	Mississippi	Sunflower County	29.92%	12.82%	0.4274	77
28143	Mississippi	Tunica County	33.11%	9.38%	0.4249	78
30003	Montana	Big Horn County	28.82%	15.76%	0.4458	60
30005	Montana	Blaine County	27.9%	9.3%	0.372	100
30035	Montana	Glacier County	27.18%	11.15%	0.3833	93
31173	Nebraska	Thurston County	25.28%	13.14%	0.3842	91
35006	New Mexico	Cibola County	24.55%	15.22%	0.3977	85
35031	New Mexico	McKinley County	35.89%	37.08%	0.7297	37
35033	New Mexico	Mora County	25.10%	12.30%	0.3739	97
35043	New Mexico	Sandoval County	27.71%	22.56%	0.5027	68
35053	New Mexico	Socorro County	31.54%	9.28%	0.4082	81
38005	North Dakota	Benson County	27.59%	13.51%	0.4109	80
38079	North Dakota	Rolette County	30.72%	9.98%	0.4071	83
38085	North Dakota	Sioux County	37.41%	18.77%	0.5618	45
46007	South Dakota	Bennett County	38.06%	14.96%	0.5302	50
46017	South Dakota	Buffalo County	57.71%	20.37%	0.7809	34
46031	South Dakota	Corson County	39.34%	18.76%	0.5810	43
46041	South Dakota	Dewey County	33.45%	14.75%	0.4819	57
46071	South Dakota	Jackson County	35.71%	16.86%	0.5257	51
46095	South Dakota	Mellette County	34.65%	14.19%	0.4884	56
46113	South Dakota	Shannon County	51.60%	48.48%	1.0008	11
46121	South Dakota	Todd County	47.50%	23.37%	0.7087	40
46137	South Dakota	Ziebach County	49.80%	21.86%	0.7167	38
48047	Texas	Brooks County	39.90%	15.08%	0.5498	48
48061	Texas	Cameron County	32.26%	22.84%	0.5509	47
48107	Texas	Crosby County	27.67%	10.63%	0.3830	94
48127	Texas	Dimmit County	33.20%	17.70%	0.5090	54
48131	Texas	Duval County	26.83%	11.54%	0.3837	92
48137	Texas	Edwards County	31.75%	12.58%	0.4433	73

Housing In Underserved Counties  
 100 Eligible Counties(Page 2 of 2)

FIPS	STATE	COUNTY	% Poverty Population	% Substd Housing	Combined Score	Rank
48163	Texas	Frio County	28.63%	15.45%	0.4409	61
48191	Texas	Hall County	26.3%	11.0%	0.372	99
48229	Texas	Hudspeth County	34.63%	16.40%	0.5102	52
48283	Texas	La Salle County	30.15%	17.25%	0.4740	59
48377	Texas	Presidio County	35.72%	14.99%	0.5072	55
48389	Texas	Reeves County	28.90%	11.77%	0.4067	84
48427	Texas	Starr County	50.78%	28.27%	0.7905	32
48463	Texas	Uvalde County	24.21%	14.58%	0.3879	89
48465	Texas	Val Verde County	23.22%	14.31%	0.3752	96
48479	Texas	Webb County	49.30%	53.83%	1.0313	10
48489	Texas	Willacy County	33.05%	22.63%	0.5568	46
48505	Texas	Zapata County	35.55%	21.47%	0.5702	44
48507	Texas	Zavala County	41.53%	29.74%	0.7126	39
49037	Utah	San Juan County	31.29%	32.23%	0.6352	42
55078	Wisconsin	Menominee County	28.54%	12.27%	0.4081	82
60020	American Samoa	Manu'a District	62.68%	70.32%	1.3299	3
60040	American Samoa	Swains Island	50.00%	133.33%	1.8333	1
60050	American Samoa	Western District	61.87%	72.40%	1.3427	2
69100	N.Marianas	Rota Municipality	29.37%	46.44%	0.7581	36
69110	N.Marianas	Saipan Municipality	35.37%	50.40%	0.8577	27
69120	N.Marianas	Tinian Municipality	34.60%	55.21%	0.8982	22
72001	Puerto Rico	Adjuntas Municipio Aguas Buenas Municipio	65.07%	32.87%	0.9795	13
72007	Puerto Rico	Municipio	57.89%	37.52%	0.9542	16
72011	Puerto Rico	Añasco Municipio	61.69%	27.24%	0.8894	24
72035	Puerto Rico	Cayey Municipio	61.49%	20.42%	0.8192	29
72039	Puerto Rico	Ciales Municipio	65.28%	38.73%	1.0401	8
72043	Puerto Rico	Coamo Municipio	56.14%	23.18%	0.7932	31
72045	Puerto Rico	Comerio Municipio	54.83%	36.34%	0.9117	19
72049	Puerto Rico	Culebra Municipio	38.59%	30.45%	0.6903	41
72059	Puerto Rico	Guayanilla Municipio	67.80%	28.64%	0.9644	15
72073	Puerto Rico	Jayuya Municipio	62.80%	28.81%	0.9161	18
72079	Puerto Rico	Lajas Municipio	54.53%	22.87%	0.7739	35
72081	Puerto Rico	Lares Municipio	72.53%	32.04%	1.0457	7
72083	Puerto Rico	Las Marías Municipio	68.44%	30.92%	0.9937	12
72093	Puerto Rico	Maricao Municipio	67.03%	36.89%	1.0391	9
72095	Puerto Rico	Maunabo Municipio	55.67%	32.99%	0.8866	25
72097	Puerto Rico	Mayagüez Municipio	48.65%	41.30%	0.8995	21
72107	Puerto Rico	Orocovis Municipio	75.00%	34.59%	1.0959	5
72109	Puerto Rico	Patillas Municipio	61.19%	35.53%	0.9672	14
72111	Puerto Rico	Peñuelas Municipio	56.08%	52.41%	1.0849	6
72113	Puerto Rico	Ponce Municipio	62.37%	27.63%	0.9000	20
72123	Puerto Rico	Salinas Municipio San Sebastián Municipio	56.52%	22.33%	0.7885	33
72131	Puerto Rico	Municipio Santa Isabel	61.17%	32.71%	0.9388	17
72133	Puerto Rico	Municipio	57.13%	27.44%	0.8457	28
72141	Puerto Rico	Utua Municipio	62.68%	26.62%	0.8931	23
72147	Puerto Rico	Vieques Municipio	64.48%	22.40%	0.8688	26
72149	Puerto Rico	Villalba Municipio	73.35%	39.67%	1.1302	4
78030	Virgin Islands	St. Thomas Island	26.77%	16.49%	0.4326	74

Housing in Underserved Counties  
 Pool Counties

FIPS	STATE	COUNTY	% Poverty Population	% Substd Housing	Combined Score	Rank
53077	Washington	Yakima County	19.75%	17.41%	0.3715	101
16033	Idaho	Clark County	19.42%	16.71%	0.3613	102
13043	Georgia	Candler County	26.09%	9.54%	0.3562	103
48249	Texas	Jim Wells County	23.94%	11.34%	0.3528	104
48271	Texas	Kinney County	23.96%	10.91%	0.3487	105
12027	Florida	DeSoto County	22.69%	11.66%	0.3435	106
48153	Texas	Floyd County	21.54%	12.64%	0.3418	107
35003	New Mexico	Catron County	25.00%	9.05%	0.3405	108
48025	Texas	Bee County	23.78%	9.84%	0.3363	109
48117	Texas	Deaf Smith County	20.47%	13.15%	0.3362	110
28009	Mississippi	Benton County	23.27%	10.19%	0.3346	111
5101	Arkansas	Newton County	20.46%	12.97%	0.3343	112
48305	Texas	Lynn County	22.09%	10.97%	0.3305	113
48409	Texas	San Patricio County	21.24%	11.66%	0.3290	114
35035	New Mexico	Otero County	22.80%	9.91%	0.3271	115
48013	Texas	Atascosa County	20.13%	12.28%	0.3241	116
8109	Colorado	Saguache County	22.43%	9.73%	0.3216	117
22075	Louisiana	Plaquemines Parish	22.62%	9.51%	0.3213	118
48115	Texas	Dawson County	19.83%	11.57%	0.3140	119
48311	Texas	McMullen County	20.00%	11.05%	0.3105	120
13259	Georgia	Stewart County	21.87%	9.03%	0.3090	121
22037	Louisiana	East Feliciana Parish	21.48%	9.37%	0.3086	122
28123	Mississippi	Scott County	20.67%	9.87%	0.3054	123
53047	Washington	Okanogan County	21.11%	9.29%	0.3039	124
48063	Texas	Camp County	20.68%	9.39%	0.3008	125
6003	California	Alpine County	19.83%	9.78%	0.2962	126
48105	Texas	Crockett County	19.95%	9.48%	0.2943	127
48273	Texas	Kleberg County	19.56%	9.72%	0.2928	128



SECTION 515 NONPROFIT SET ASIDE (NPSA)

I. Objective: To provide eligible nonprofit entities with a reasonable opportunity to utilize Section 515 funds.

II. Background: The Cranston-Gonzalez National Affordable Housing Act of 1990 established the statutory authority for the Section 515 NPSA funds.

III. Eligible entities. Amounts set aside shall be available only for nonprofit entities in the State, which may not be wholly or partially owned or controlled by a for-profit entity. An eligible entity may include a partnership, including a limited partnership, that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary which will be receiving low-income housing tax credits authorized under section 42 of the Internal Revenue Code of 1986. For the purposes of this exhibit, a nonprofit entity is an organization that:

A. Will own an interest in a project to be financed under this section and will materially participate in the development and the operations of the project; and

B. Is a private organization that has nonprofit, tax exempt status under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1986; and

C. Has among its purposes the planning, development, or management of low-income housing or community development projects; and

D. Is not affiliated with or controlled by a for-profit organization; and

E. May be a consumer cooperative, Indian tribe, or tribal housing authority.

IV. Nondiscrimination. Rural Development reemphasizes the nondiscrimination in use and occupancy, and location requirements of 3560.104 of Subpart C of Part 3560 of this chapter.

V. Amount of Set Aside. See Attachment 1 of this exhibit (available in any Rural Development State Office):

A. Small State Allocation Set Aside (SSASA). The allocation for small States has been reserved and combined to form the SSASA, as shown in Attachment 1 of this exhibit (available in any Rural Development State Office). The definition of small State is included in Attachment 1 of this exhibit (available in any Rural Development State Office).

B. Large State Allocation Set Aside (LSASA). The allocation for large States has been reserved in the amounts shown in Attachment 1 of this exhibit (available in any Rural Development State Office). The definition of large State is included in Attachment 1 of this exhibit (available in any Rural Development State Office).

C. NPSA Rental Assistance (RA). NPSA RA has been reserved in the National Office as shown in Attachment 1 of this exhibit (available in any Rural Development State Office).

VI. Access to NPSA funds and RA. RA is available and may be requested, as needed, with eligible loan requests. NPSA funds and RA should be requested by the State Director using a format similar to Attachment 2 of this exhibit (available in any Rural Development State Office). Funds are available as follows:

A. SSASA: The SSASA is available to any SSASA State on a first-come-first-served basis until pooling. See Attachment 3 of this exhibit (available in any Rural Development State Office) for information regarding pooling.

B. LSASA: LSASA States may request LSASA funds up to the amount the State contributed to LSASA until pooling. See Attachment 3 of this exhibit (available in any Rural Development State Office) for information regarding pooling.

VII. General information on priority/processing of preapplications.

A. Preapplications/applications for assistance from eligible nonprofit entities under this subpart must continue to meet all loan making requirements of Subpart B of Part 3560 of this chapter.

B. A separate processing list will be maintained for NPSA loan requests.

C. The State Director may issue Form AD-622, "Notice of Preapplication Review Action," requesting a formal application to the highest ranking preapplication(s) from eligible nonprofit entities defined in paragraph III of this exhibit as follows:

1. LSASA. In LSASA States, AD-622s may not exceed 150 percent of the amount the State contributed to the LSASA. No single Form AD-622 may exceed the amount of funds the State contributed to LSASA.

2. SSASA. In SSASA states, AD-622s should not exceed the greater of \$750,000 or 150 percent of the amount the State contributed to the SSASA; except that the State Director in a SSASA State may request authorization to issue a Form AD-622, in an amount in excess of \$750,000 if additional funds are necessary to finance an average-size proposal based upon average construction costs in the state. For example, if the average size proposal currently being funded in the state is 24 units, and the average construction cost in the state is \$35,000 per unit, the state may request authorization to issue a Form AD-622 for \$840,000. The State Director will submit such requests to the National Office including data reflecting average size/cost projects in the State. No single Form AD-622 may exceed the amount of funds the State may receive from the SSASA.

D. All AD-622s issued for proposals to be funded from NPSA will be subject to the availability of NPSA funds. Form AD-622 should contain the following or similar language: "This Form AD-622 is issued subject to the availability of Nonprofit Set Aside (NPSA) funds."

E. If a preapplication requesting NPSA funds has sufficient priority points to compete with non-NPSA loan requests based upon the District or State allocation (as applicable), the preapplication will be maintained on both the NPSA and non-NPSA rating/ranking lists.

F. Provisions for providing preference to loan requests from nonprofit organizations is contained in 7 CFR part 3560.56, Subpart B. Limited partnerships, with a nonprofit general partner, do not qualify for nonprofit preference.

VIII. Exception authority. The Administrator, or his/her designee, may, in individual cases, make an exception to any requirements of this exhibit which are not inconsistent with the authorizing statute, if he/she finds that application of such requirement would adversely affect the interest of the Government or adversely affect the intent of the authorizing statute and/or Rural Rental Housing program or result in an undue hardship by applying the requirement. The Administrator, or his/her designee, may exercise this authority upon the request of the State Director, Assistant Administrator for Housing, or Director of the Multi-Family Housing Processing Division. The request must be supported by information that demonstrates the adverse impact or effect on the program. The Administrator, or his/her designee, also reserves the right to change pooling dates, establish/change minimum and maximum fund usage from NPSA, or restrict participation in the set aside.

Attachments: Attachments 1, 2, and 3.

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SECTION 515 NONPROFIT SET ASIDE (NPSA) ALLOCATIONS

FISCAL YEARS 1993 AND 1994

I. Fiscal Year (FY) 93/94 NPSA allocation: Nine percent of each State's FY 93 and FY 94 allocation has been set aside in the National Office for NPSA, as follows:

A. Small State Allocation Set Aside (SSASA): Small States are those in which 9 percent of their allocation is less than \$750,000. Nine percent of each small State's allocation has been reserved and combined to form the SSASA.

B. Large State Allocation Set Aside (LSASA): Large States are those in which 9 percent of their allocation is more than \$750,000. Nine percent of each large State's allocation has been reserved.

II. NPSA Rental Assistance: See the Multi-Family Housing funding attachment to Exhibit A of this subpart (available in any Rural Development State Office).

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SUBJECT: Request for Nonprofit Set Aside (NPSA)  
Funds and Rental Assistance (RA)

TO:  
Assistant Administrator  
Housing

ATTN: Multi-Family Housing Processing Division

We hereby request NPSA funds and RA as follows:

State Name: \_\_\_\_\_ County Name: \_\_\_\_\_

State Code: \_\_\_\_\_ District Code: \_\_\_\_\_ County Code: \_\_\_\_\_

Name of Applicant: \_\_\_\_\_

Type of Applicant:

- \_\_\_\_\_ Nonprofit (NP) organization
- \_\_\_\_\_ Limited partnership with NP general partner
- \_\_\_\_\_ Indian tribe or tribal housing authority
- \_\_\_\_\_ Other (please specify) \_\_\_\_\_

Project Name: \_\_\_\_\_

Type of Complex: \_\_\_\_\_ No. of Units: \_\_\_\_\_

Priority Processing Point Score: \_\_\_\_\_ points

Total Loan Request: \$\_\_\_\_\_ RA Units: \_\_\_\_\_

NPSA Request: \$\_\_\_\_\_ RA Units: \_\_\_\_\_

Other comments/information:

The applicant is an entity which meets the requirements of RD Instruction 1940-L, Exhibit B.

State Director

(Instructions: Submit a separate request for each NPSA request.)

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SECTION 515 NONPROFIT SET ASIDE (NPSA) POOLING

FISCAL YEAR (FY) 1994 AND THEREAFTER

Pooling for Small State Set Aside (SSASA) and Large State Set Aside (LSASA):  
Beginning with FY 94, unused SSASA and LSASA funds will be pooled as follows:

A. On or after July 1, of each year, unused funds from the SSASA and the LSASA States will be combined and made available, on a first-come-first-served basis, in any State, for eligible nonprofit entities meeting the requirements of paragraph III of Exhibit B of this subpart. The exact pooling date will be established annually and will be included in the Multi-Family Housing (MFH) funding attachment to Exhibit A of this subpart (available in any Rural Development State Office). The MFH funding attachment is also published annually as a Notice in the Federal Register.

B. Unused funds remaining 30 days after the pooling date will be returned to the States for use for any Section 515 proposal ready for obligation, without regard to the type of applicant entity. Funds will be returned to States that did not use the full amount contributed, in an amount proportionate to the amount contributed.

SECTION 515 NPSA POOLING

FY 1993

I. Pooling for SSASA States:

A. June 18, 1993, is the last date for SSASA States to request SSASA funds and RA units. At close of business (COB) June 18, 1993, any unused SSASA funds will be pooled and made available to any SSASA State on a first-come-first-served basis until COB July 19, 1993.

B. Unused funds, as of COB July 19, 1993, will be returned to SSASA States which did not use the full amount of set aside funds they contributed, in an amount proportionate to the amount contributed. The returned funds may be used for Section 515 proposals ready for obligation, without regard to the type of applicant entity.

II. Pooling for LSASA States:

A. LSASA States may request LSASA funds, up to the amount contributed, until COB July 19, 1993.

B. Unused LSASA funds will be returned to the States as of COB July 19, 1993. These funds may be used for Section 515 proposals ready for obligation, without regard to the type of applicant entity.

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HOUSING IN UNDERSERVED AREAS

I. Objective.

A. To improve the quality of affordable housing by targeting funds under Rural Housing Targeting Set Aside (RHTSA) to designated areas that have extremely high concentrations of poverty and substandard housing and have severe, unmet rural housing needs.

B. To provide for the eligibility of certain colonias for rural housing funds.

II. Background. The Cranston-Gonzalez National Affordable Housing Act of 1990 (herein referred to as the "Act") requires that Rural Development set aside Section 502, 504, 514, 515, and 524 funds for assistance in targeted, underserved areas. An appropriate amount of Section 521 new construction rental assistance (RA) is set aside for use with Section 514 and 515 loan programs. Under the Act, certain colonias are now eligible for Rural Development housing assistance.

III. Colonias.

A. Colonia is defined as any identifiable community that:

1. is in the State of Arizona, California, New Mexico or Texas;
2. is in the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1 million;
3. is designated by the State or county in which it is located as a colonia;
4. is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

5. was in existence and generally recognized as a colonia before November 28, 1990.

B. Requests for housing assistance in colonias have priority as follows:

1. When the State did not obligate its allocation in one or more of its housing programs during the previous two fiscal years (FYs), priority will be given to requests for assistance, in the affected program(s), from regularly allocated funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias. This priority takes precedence over other processing priority methods.

2. When the State did obligate its allocation in one or more of its housing programs during the previous 2 FYs, priority will be given to requests for assistance, in the affected program(s), from RHTSA funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias. This priority takes precedence over other processing priority methods.

C. Colonias may access pooled RHTSA funds as provided in paragraph IV G of this exhibit.

IV. RHTSA.

A. Amount of Set Aside. Set asides for RHTSA from the current FY allocations are established in Attachment 1 of this exhibit (available in any Rural Development State Office).

B. Selection of Targeted Counties.

1. Eligibility. Eligible counties met the following criteria: (1) 20 percent or more of the county population is at or below poverty level; (2) 10 percent or more of the occupied housing units are substandard; and (3) the average funds received on a per capita basis in the county during the previous 5 FYs were more than 40 percent below the State per capita average during the same period. Data from the most recent available Census was used for all three criteria, with criteria (2) and (3) based on the Rural Development rural area definition.

2. Selection. The Act requires that 100 of the most underserved counties be initially targeted for RHTSA funds. In establishing the 100 counties, those with 28 percent or more of their population at or below poverty level and 13 percent or more of their occupied housing units substandard, have preference. If less than 100 counties meet this criteria, the remaining counties meeting the criteria in paragraph IV B 1 of this exhibit will be ranked, based upon a total of their substandard housing and poverty level percentages. The highest-ranking counties are then selected until the list reaches 100. The remaining counties are eligible for pool funds only.

C. State RHTSA Levels. In the Section 502, 504, and 515 programs, each State's RHTSA level will be based on its number of eligible counties, with each county receiving a pro rata share of the total funds available. In order to ensure that a meaningful amount of assistance is available to each State, minimum funding levels may be established. When minimum levels are established, they are set forth on Attachment 1 of this exhibit (available in any Rural Development State Office).

D. Use of Funds. To maximize the assistance to targeted counties, allocated program funds should be used in addition to RHTSA funds, where possible. The State Director has the discretion to determine the most effective delivery of RHTSA funds among the targeted counties within his/her jurisdiction. The 100 counties listed in Attachment 2 of this exhibit (available in any Rural Development State Office) are eligible for RHTSA funding consideration immediately. Colonias are also eligible for RHTSA funds as described in Paragraph III of this exhibit.

E. National Office RHTSA Reserve. A limited National Office reserve is available on an individual case basis when the State is unable to fund a request from its regular or RHTSA allocation. The amount of the reserve, and the date it can be accessed and any conditions thereof, if applicable, are contained in Attachment 1 of this exhibit (available in any Rural Development State Office).

F. Requests for Funds and RA. All RHTSA funds are reserved in the National Office and requests for these funds and/or units must be submitted by the State Director using the applicable format shown on Attachments 4 or 5 of this exhibit (available in any Rural Development State Office). The State Director is responsible for notifying the Director of Single Family Housing Processing Division (SFHPD) or Multi-Family Housing Processing Division (MFHPD) of any RHTSA funds and RA units authorized, but not obligated, by RHTSA pooling date.

G. Pooling. Unused RHTSA funds and RA will be pooled. Pooling dates and any pertinent information thereof are available on Attachment 1 of this exhibit (available in any Rural Development State Office). Pooled funds will be available on a first-come, first-served basis to all eligible colonias and all counties listed on Attachments 2 and 3 of this exhibit (available in any Rural Development State Office). Pooled RHTSA funds will remain available until the year-end pooling date.

H. Outreach. Outreach efforts publicizing the availability of loan and grant funds for the eligible RHTSA counties will be aggressively carried out. Each affected State Director will develop an outreach plan which includes such techniques as news releases, community meetings, coordination with other Federal, State, and local government organizations, to promote full utilization of these targeted funds by all qualified applicants regardless of race, color, and sex. In addition to the above outreach efforts, States with eligible colonias should establish liaison with community groups in order to leverage support and assistance provided to residents of colonias.

I. Monitoring Performance.

1. National Office: The National Office will track the use of targeted funds on a regular basis throughout the FY and take necessary follow-up actions to facilitate the delivery of the program.

2. State Office:

a. The State Director will designate a staff member to coordinate all efforts under RHTSA.

b. Adequate records will be maintained for each of the eligible RHTSA counties, in all programs with RHTSA set asides.

c. The State Directors for Arizona, California, New Mexico, and Texas will submit quarterly reports of funds usage in colonias to SFHPD and MFHPD. Negative reports will be required.

J. Requests for Assistance. Requests for assistance in targeted counties must meet all loan making requirements of the applicable program Instructions, except as modified for colonias in paragraph III of this exhibit. For Section 515, States may:

1. Issue Form AD-622, "Notice of Preapplication Review Action," up to 150 percent of the amount shown in Attachment 1 of this exhibit (available in any Rural Development State Office).

2. All AD-622s issued for applicants in targeted counties will be annotated, in Item 7, under "Other Remarks," with the following: "Issuance of this AD-622 is contingent upon receiving funds from the Rural Housing Targeting Set Aside (RHTSA). Should RHTSA funds be unavailable, or the county in which this project will be located is no longer considered a targeted county, this AD-622 will no longer be valid. In these cases, the request for assistance will need to compete with other preapplications in non-targeted counties, based upon its priority point score."

V. Exception Authority. The Administrator, or his/her designee, may, in individual cases, make an exception to any requirements of this exhibit which are not inconsistent with the authorizing statute, if he/she finds that application of such requirement would adversely affect the interest of the Government. The Administrator, or his/her designee, may exercise this authority upon the request of the State Director, Assistant Administrator for Housing, Director of the SFHPD or Director of the MFHPD. The request must be supported by information that demonstrates the adverse

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Exhibit C  
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impact or effect on the program. The Administrator, or his/her designee, also reserves the right to change the pooling date, establish/change minimum and maximum fund usage from set asides and/or the reserve, or restrict participation in set asides and/or reserves.

Attachments: 1, 2, 3, 4, and 5

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Exhibit C: Attachments 1, 2, and 3 in PDF EXHIBIT ONLY.

SUBJECT: Request for Rural Housing Targeting  
Set Aside (RHTSA) Funds

TO: Ronnie O. Tharrington  
Assistant Administrator  
Housing

ATTN: Single Family Housing Processing Division

We hereby request RHTSA funds as follows:

State Name: \_\_\_\_\_

Program

Program	Amount of RHTSA Requested
Section 502 Very Low-Income Funds	\$ _____
Section 502 Low-Income Funds	\$ _____
Section 504 Loan Funds	\$ _____
Section 504 Grant Funds	\$ _____
Section 524 Loan Funds	\$ _____

State Director

(General Instructions - Individual listing of counties or applicants not required. Requests should be grouped and submitted on a periodic basis.)



RD Instruction 1940-L  
Exhibit C, Attachment 5

SUBJECT: Request for Rural Housing Targeting Set Aside (RHTSA)  
Funds and Rental Assistance (RA)

TO: Ronnie O. Tharrington  
Assistant Administrator  
Housing

ATTN: Multi-Family Housing Processing Division

We hereby request funds and RA from the RHTSA as follows:

State Name: \_\_\_\_\_ County Name: \_\_\_\_\_ Colonia: \_\_\_\_\_

State Code: \_\_\_\_\_ County Code: \_\_\_\_\_ District Code: \_\_\_\_\_

Name of Applicant: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Physical Location: \_\_\_\_\_

Type of Project: \_\_\_\_\_ No. of rental units: \_\_\_\_\_

Priority Processing Point Score: \_\_\_\_\_ points

Total Loan Request: \$\_\_\_\_\_ RA units \_\_\_\_\_

RHTSA Request: \$\_\_\_\_\_ RHTSA RA Request \_\_\_\_\_

Projected Obligation Date: \_\_\_\_\_

Other comments/information:

State Director

[General Instructions - Complete a separate Attachment 5 for each RHTSA request.]

(02-20-91) SPECIAL PN

RURAL RENTAL HOUSING DIVERSITY DEMONSTRATION PROGRAM (RRHDDP)

I. Objectives.

- A. To encourage applicants of limited gross incomes which have little or no participation in the Section 515 program.
- B. To provide housing in unserved areas.
- C. To provide an economic stimulus to the local economy by encouraging procurement of labor, goods, and services from the local community.

II. Background. In accordance with Section 506 (b) of the Housing Act of 1949, as amended, the Secretary is authorized and directed to conduct research, technical studies, and demonstrations relating to the mission and programs of Rural Development and the national housing goals defined in section 2 of this Act. In connection with such activities, the Secretary shall seek to promote the construction of adequate farm and other rural housing. The Secretary shall conduct such activities for the purposes of stimulating construction and improving the architectural design and utility of dwellings and buildings. In furtherance of this goal, the Rural Rental Housing Diversity Demonstration Program (RRHDDP) is implemented. An appropriate amount of Section 521 new construction rental assistance (RA) is set aside for use with Section 515 loan funds.

III. RRHDDP.

- A. Amount of Set Aside. Set asides for RRHDDP from the current fiscal year (FY) allocations are established in Attachment 1 of this exhibit.
- B. Selection of States. All States were considered using the following criteria:
  - 1. Highest percentage of poverty;
  - 2. Highest percentage of substandard housing;
  - 3. Highest unemployment rates;
  - 4. Lowest rural median income; and
  - 5. Number of places with population of 2,500 or fewer.

Each State selected for RRHDDP had to be in the top 10 of at least 3 of the 5 criteria. Data from the 1990 census was used for all criteria. The States selected are listed in Attachment 1 of this exhibit.

C. State RRHDDP Levels. See Attachment 1 of this exhibit.

D. Use of Funds. To ensure the success of RRHDDP, the State Director may leverage funds from the RRHDDP with allocated funds from the Section 515 and 521 allocations held in the State Office reserve. The State Director has the discretion to determine the most effective delivery of RRHDDP funds; however, the intent and scope of the program should be ever present in the implementation and application processes.

E. National Office RRHDDP Reserve. There is no RRHDDP reserve available when the State is unable to fund a request from its regular or RRHDDP allocation.

F. Pooling. Unused RRHDDP funds and RA will be pooled. Pooling dates and any pertinent information thereof are available on Attachment 1 of this exhibit. Pooled funds will be available on a first-come-first-served basis to all eligible States listed on Attachment 1 of this exhibit. Pooled RRHDDP funds will remain available until the year-end pooling date.

IV. Eligibility. Applicants and proposals will need to meet the following requirements, in addition to those found in 7 CFR part 3560, Subpart B:

A. The applicant must have had an interest (including family members) in no more than one Section 515 loan over the past 3 years. For entity applicants, this restriction applies to all general partners and their family members. For the purposes of this program, interest means a Section 515 loan which has been approved and funds obligated.

B. The applicant must have had a gross aggregate income from business and personal operations of less than \$500,000 in the previous calendar year. For entity applicants, the aggregate income of all general partners will be considered. American Indian tribes and tribal housing authorities are exempt from these income requirements.

C. At least 51 percent of the labor, goods, and services to develop the proposed housing must come from the market area as described in paragraph V B of this exhibit.

D. The housing must be constructed in a market area without similar subsidized housing. Market area is defined in 7 CFR part 3560, Subpart A.

E. The proposed complex must contain no more than 50 percent of the average number of units of the average size Section 515 complex in the State based on the previous FY average.

V. Processing Preapplications.

A. Requirements. To be eligible for participation in this demonstration program, applicants must ensure that the preapplication meets all requirements set forth in 7 CFR part 3560 and this exhibit.

1. All complete preapplications must be received in the place designated by the State Director by the date listed in Attachment 1 of this exhibit. Incomplete preapplications will not be considered. A complete preapplication consists of all items specified in THC Notice of Funding Availability that will be published in the Federal Register each Fiscal Year.

2. Based upon projected demand for the RRHDDP, the State Director will select the manner in which preapplications will be rated prior to implementation and/or announcement of the program to ensure the public is aware of how requests will be prioritized. The State Director may elect one of the following systems to prioritize and select proposals for further processing:

- a. The priority point system contained in 7 CFR 3560.56 or
- b. The following priority point scoring system;

(i) Interest in Section 515 loans over the past 3 FYs as specified in paragraph IV A of this exhibit.

No Interest	- 5 points
Interest in 1 project	- 2 points

(ii) Gross incomes as defined in paragraph IV B of this exhibit.

Income: \$400,001-499,999	- 1 point
\$300,000-400,000	- 2 points
\$299,999 or less	- 3 points

American Indian Tribes/Tribal Housing Authorities	- 3 points
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(iii) Percent of the labor, goods, and services must come from the local market described in paragraph V B of this exhibit.

100% from local market	- 5 points
90-99% from local market	- 4 points
80-89% from local market	- 3 points
70-79% from local market	- 2 points
51-69% from local market	- 1 point

(iv) Size of proposed complex compared to average size complex obligated in previous FY.

40-50% average size	- 3 points
30-39% average size	- 4 points
less than 30%	- 5 points

c. A combination of the points received in paragraphs V A 2 a and b of this exhibit.

3. In the event of a tie, the proposal with the earliest date of complete preapplication will take preference.

B. Procurement of labor, goods, and services. One of the intents of the RRHDDP is to stimulate the local economy by encouraging procurement of labor, goods, and services from the local area. Rural Development recognizes that defining a local trade area in which to procure the labor, goods, and services to build an apartment complex is difficult in rural America. To be responsive to the application procedures, applicants must procure labor, goods, and services from Level One of this paragraph. If labor, goods, and services are not available in Level One of this paragraph, the applicant may use the trade area defined in Level Two of this paragraph. Documentation as to why the labor, goods, and services are not available in Level One of this paragraph must be included in the case file. The applicant may propose to secure labor, goods, and services from Level Three or Four of this paragraph; however, documentation as to why same is not available in all of the previous levels must be included in the case file.

1. Level One: Labor, goods, and services must be procured within 15 miles of the proposed site of the apartments.

2. Level Two: Labor, goods, and services must be procured within the county where the proposed apartments will be located.

3. Level Three: Labor, goods, and services must be procured within the lesser of 50 miles from the site of the proposed complex OR the boundaries of any adjacent county (regardless of State boundary).

4. Level Four: Labor, goods, and services must be procured within 100 miles of the proposed site (regardless of State boundary).

C. Outreach. Outreach efforts publicizing the availability of loan funds for the eligible RRHDDP States will be aggressively carried out. Each affected State Director will develop an outreach plan which includes such techniques as news releases, community meetings, coordination with other Federal, State, and local government organizations, to promote full utilization of these funds by all qualified applicants regardless of race, color, religion, national origin, marital status, age, and sex. In addition to the above outreach efforts, States with eligible colonias and/or tribal lands should establish liaison with community groups in order to leverage support and assistance provided to residents of colonias and tribal lands.

D. Monitoring Performance.

1. National Office: The National Office will track the use of targeted funds on a regular basis throughout the FY and take necessary follow-up actions to facilitate the delivery of the program.

2. State Office: The State Director will designate a staff member to coordinate all efforts under RRHDDP.

E. Issuance of Form AD-622, "Notice of Preapplication Review Action," inviting a formal application.

1. The State Director may issue AD-622s up to 100 percent of the amount shown in Attachment 1 of this exhibit and any funds made available from the State Office reserve.

2. All AD-622s issued for applicants under this demonstration program will be annotated, in Item 7 of the form, under "Other Remarks," with the following:

"Issuance of this AD-622 is contingent upon receiving funds from the Rural Rental Housing Diversity Demonstration Program (RRHDDP). Should RRHDDP funds be unavailable or the program discontinued,

this AD-622 will no longer be valid. In these cases, the request for assistance will need to compete with other preapplications based upon its priority point score established in accordance with 7 CFR 3560.56.

- VI. Exception Authority. The Administrator, or his/her designee, may, in individual cases, make an exception to any requirements of this exhibit which are not inconsistent with the authorizing statute, if he/she finds that application of such requirement would adversely affect the interest of the Government. The Administrator, or his/her designee, may exercise this authority upon the request of the State Director, Assistant Administrator for Housing, or Director of the Multi-Family Housing Processing Division (MFHPD). The request must be supported by information that demonstrates the adverse impact or affect on the program. The Administrator, or his/her designee, also reserves the right to change the pooling date, establish/change minimum and maximum fund usage from set asides and/or the reserve, or restrict participation in set asides and/or reserves.