



THE PRIORITY SCORING SYSTEM

Business & Industry (B&I) Guaranteed Loan Program

How does the B&I priority scoring system work?

- Every B&I loan application is given a priority “score” by USDA which quantifies the rural benefits that USDA attributes to the project. (USDA wants to direct its B&I guaranteed loans to projects that will deliver the most benefit to the neediest areas.)
- Priority scoring is not critical unless B&I guaranteed funding authority is limited (which has not been the case in recent years). When it is, B&I guaranteed funds are awarded to applications based on their priority score, rather than on a “first-come, first-serve” basis.

How is a B&I application’s priority score determined?

- RD Instruction 4279-B, §4279.155 delineates the criteria for priority scoring as follows:

B&I Priority Scoring Criteria	Points
Community Where Project Is Located:	
Population of ≤ 25,000.....	10
With long-term out-migration (none currently in Oregon).....	5
That has remained persistently poor (none currently in Oregon).....	5
That has experienced economic or natural disaster.....	5
With an unemployment rate ≥ 125% of the State average.....	5
Federal “EZ/EC” area (none currently in Oregon).....	10
Federal “Champion Community” (none currently in Oregon).....	5
B&I Deal Structure:	
Interest rate ≤ Prime + 1.5 (or equivalent).....	5
Interest rate ≤ Prime + 1.0 (or equivalent).....	5 more
B&I loan represents < 50% of the total project cost.....	5
B&I guarantee requested is 10% below normal level – e.g., 70%..	5
Type of Business Assisted:	
≥ 20% of sales are from exports.....	5
New industry to the area.....	5
Products are high-value goods or services.....	2
Provides additional market for existing local businesses.....	3
Locally owned business.....	3
Value-added, natural resource-based business.....	2
Average Wage Paid:	
≥ 125% of Federal minimum wage (i.e., ≥ \$ 9.07/hr).....	5
≥ 150% of Federal minimum wage (i.e., ≥ \$10.88/hr).....	5 more
USDA Rural Development Administrative Points	
Based on USDA mission & strategic goals (discretionary).....	10
Maximum Total Points =	
100	

How are priority points assigned?

USDA determines the priority score. Nearly all of the factors are objective; only the State Director Administrative Points are discretionary.

How can I know my project's priority score?

USDA does a draft priority score as soon as a preapplication (with sufficient information) is received. USDA will share this information with you and discuss funding prospects.

How many points does a project need to secure funding?

If funds are not limited, there is no minimum required score. (Priority scores only become critical when funding is limited and only available on a competitive basis.)