



## THE PRIORITY SCORING SYSTEM

### Business & Industry (B&I and **B&I-ARRA**) 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.)
- [For B&I-ARRA \(American Recovery & Reinvestment Act\) projects, a 90% guarantee is given if the project scores 55 points or more.](#)
- [For regular B&I projects, priority scoring is not critical unless B&I guaranteed funding authority is limited \(which has not be the case in recent years\). 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>B&amp;I Priority Scoring Criteria</b>	<b>Points</b>
<b>Community Where Project Is Located:</b>	
Population of ≤ 25,000.....	10
With job deterioration, out-migration.....	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>B&amp;I Deal Structure:</b>	
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
<b>Type of Business Assisted:</b>	
≥ 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
<b>Average Wage Paid:</b>	
≥ 125% of Federal minimum wage (i.e., ≥ \$ 9.07/hr).....	5
≥ 150% of Federal minimum wage (i.e., ≥ \$10.88/hr).....	5 more
<b>USDA Rural Development Administrative Points (<a href="#">B&amp;I-ARRA see below</a>)</b>	
Based on USDA mission & strategic goals (discretionary).....	20
<b>Maximum Total Points =</b>	<b>110</b>

**How are priority points assigned?**

USDA determines the priority score. Nearly all of the factors are objective; only the State Director and RBS Administrator’s Administrative Points are discretionary.

**How are “Administrative” points assigned?**

For regular B&I projects, these points are entirely discretionary. **However, for B&I-ARRA projects, the 20 Administrative Points may be awarded only if both of the following criteria are met:**

1. **Quality Jobs.** The business being financed provides “Quality Jobs”, i.e.:
  - a. Pays an average wage rate of at least \$9.07 per hour (more than 125% of the Federal Minimum Wage); or
  - b. Qualifies for the Work Opportunity Tax Credit Program (a welfare-to-work incentive); or
  - c. Offers health care to all employees, with at least 50% of the premium paid by the employer.
2. **Distressed Community.** The business will be in an area experiencing any of the following:
  - a. High unemployment. More than 125% of the national unemployment rate; or
  - b. Underserved area or underrepresented group. *Either* project in an area that has historically not benefited from B&I assistance *or* a minority-owned or women-owned business; or
  - c. Out-migration. Population loss each decade for the past 40 years; or
  - d. Persistent Poverty. Over 20% poverty rate for the past 30 years

**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.)

**B&I-ARRA projects do not require a minimum score, but a score of at least 55 points is required for a 90% guarantee.**

**How can I find out where targeted communities are located?**

USDA can provide you with a list of areas that will qualify for community priority points – e.g., high unemployment communities, etc.

The Oregon county map below shows targeted areas in the State.

**Rural Oregon’s Distressed Communities (shown in green)**

	<p><b>Under-Served Counties *:</b></p> <p>Benton Crook * Curry Gilliam Grant * Harney * Hood River Jackson Jefferson * Josephine * Klamath *</p>	<p>Lake * Malheur Marion Morrow Polk Sherman Tillamook Wallowa * Wasco Wheeler</p> <p>( " * " means also a high unemployment county)</p>	<p><b>High Unemployment Counties**</b> (though not "under-served"):</p> <p>Columbia Coos Deschutes Douglas Linn Union</p> <p>(" ** " subject to monthly change)</p>
	<p>(Note: Counties shaded in black on the map are also listed in the 'High Unemployment Counties' column.)</p>		