

TO: State Directors
Rural Development

ATTN: Community Programs Managers

FROM: Tammye Treviño *(Signed by Tammye Treviño)*
Administrator
Housing and Community Facilities Programs

SUBJECT: Community Facilities 15 percent Grant Eligibility Provision

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is being issued to authorize the substitution of 20,000 population in place of the current 50,000 population limit on Form RD 3570-2, Worksheet for Computing Maximum Grant Assistance. This population is used in RD Instruction 3570.63(b)(4) to compute the 15 percent grant assistance tier.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 4508 (3570-B) dated April 16, 2010 which expired on April 30, 2011 on the subject.

IMPLEMENTATION RESPONSIBILITIES:

When the Community Facilities grant regulation was developed, the population ceiling for all CF programs was 50,000. For that reason, RD Instruction 3570-B, Section 3570.63(b)(4)(i) references a population of “50,000 or less” when computing the allowable level of grant assistance. The statutory population ceiling for CF programs has since been changed to 20,000. For purposes of computing the maximum percentage of grant assistance allowable, if the population of the community is 20,000 or less and the median household income of the population to be served by the facility is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income, the maximum allowable grant assistance will be 15 percent.

If there are any questions regarding this issue, please contact Karen Safer, Community Programs Loan Specialist at 202-720-0974.

EXPIRATION DATE:
June 30, 2013

FILING INSTRUCTIONS
RD Instruction 3570-B