



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&I Priority Scoring Criteria	Points
Community Where Project Is Located:	
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&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 (B&I-ARRA see below)	
Based on USDA mission & strategic goals (discretionary).....	20
Maximum Total Points =	110

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.)

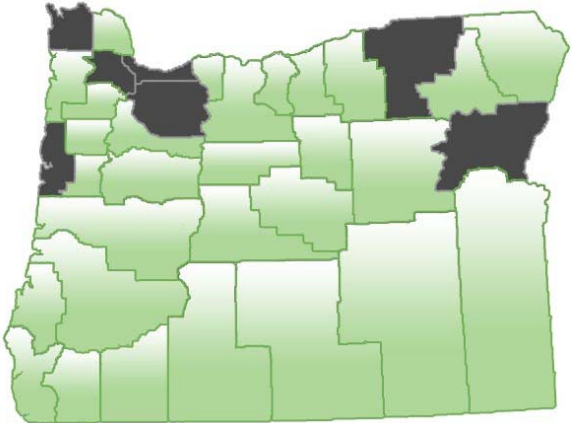
B&I-ARRA projects do not require a minimum score, but a score of at least 55 points is required for a 90% guarantee.

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><u>High Unemployment Counties:</u></p> <p>Columbia Coos Crook Curry Deschutes Douglas Grant Harney Jackson</p>	<p><u>Under-Served Counties:</u></p> <p>Benton Gilliam Hood River Malheur Morrow Polk Sherman Wasco Wheeler</p>
	<p>Jefferson Josephine Klamath Lake Lane Linn Tillamook Union Wallowa</p>	