

RD AN No. 4427 (1942-A)
(1942-C)
(3570-B)
(3575-A)

April 6, 2009

TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: James C. Alsop (*Signed by James C. Alsop*)
Acting Administrator
Housing and Community Facilities Programs

SUBJECT: Service Area for Certain Community Facilities Projects

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is being issued to provide uniform and consistent Agency interpretation on issues regarding Community Facilities (CF) loans and grants for public safety and health care projects that have contractual arrangements to serve neighboring communities.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN 4284 (1942-A, 1942-C, 3570-B, and 3575-A) dated June 8, 2007, which expired on June 30, 2008.

IMPLEMENTATION RESPONSIBILITIES:

We continue to receive a number of requests for funding of public safety and health care projects that have entered into contractual agreements with neighboring communities to assist in case of a large fire or a significant health care event. Such an arrangement is acceptable and in harmony with the mission of an essential community facility.

EXPIRATION DATE:
March 31, 2010

FILING INSTRUCTIONS:
Preceding RD Instructions 1942-A,
1942-C, 3570-B, and 3575-A

We would like to ensure that the service area population for the public safety and health care projects are accurately reflected. The population of the areas covered under the contractual arrangement can be included as population served for these projects in the Guaranteed Loan System (GLS). Please be aware that changing the service area population will also have an impact on the project's median household income, interest rates, and eligible grant percentage.

By exploring this option, it will help us to ensure that we are including all rural residents that will be served by these facilities.

If you have any questions concerning Chad Parker, Director, Direct Loan and Grant Division, or Joseph Ben-Israel, Director, Guaranteed Loan Division, Community Programs, (202) 720-1490, or Fax (202) 690-0471.