

February 28, 2019

TO: State Directors, Rural Development

ATTN: Business Programs Directors

FROM: Bette B. Brand /s/ **Bette B. Brand**
Administrator
Rural Business-Cooperative Service

SUBJECT: Intermediary Relending Program
Rural Business Development Grant
Unemployment Rate, Poverty Line Figures, and Loan Program
Priorities

The purpose of this unnumbered letter (UL) is to provide the overall national unemployment rate for fiscal year 2019 and provide guidance to Business Programs' officials in calculating Intermediary Relending Program (IRP) application priority scores.

Unemployment Rate

RD Instruction 4274-D, section 4274.344(c)(2)(iii), provides for priority points for IRP applications based on unemployment rates. The overall national unemployment rate for January 2019 was 4.0 percent. This unemployment rate will be used to compute the unemployment rate points until updated by the National Office. This supersedes the figure announced in an UL issued on December 11, 2017.

Poverty Line Figures

Effective immediately and continuing until further notice, the poverty line referred to in RD Instruction 4274-D, section 4274.344(c)(2)(i) and RD Instruction 4280-E, section 4280.435(e), is \$25,750 for all States except Alaska and Hawaii. The applicable poverty line is \$32,190 for Alaska and \$29,620 for Hawaii. These guidelines are unchanged and will remain in effect until September 30, 2019.

EXPIRATION DATE:
March 31, 2020

FILING INSTRUCTIONS:
Community/Business Programs

Loan Program Priorities

RD Instruction 4274-D, section 4274.344(c), contains a priority scoring system. Section 4274.344(c)(2) provides guidance for using the latest decennial Census income data updated according to changes in the consumer price index, so as to have a current income figure. For 2019, the index factor to be used is 1.1635. That figure will be multiplied by the 2010 Census median household income data for the service area to determine the median household income, which is then compared to the poverty line. This supersedes the index number announced in an administrative notice dated December 11, 2017.

As a part of Agency outreach activities and receipt of inquiries from potential applicants, please keep in mind the Department priority initiatives.

The Agency encourages applications that will help improve life in rural America. See information on the Interagency Task Force on Agriculture and Rural Prosperity found at www.usda.gov/ruralprosperity. Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in infrastructure, partnerships and innovation. Key strategies include:

Achieving e-Connectivity for Rural America

Developing the Rural Economy

Harnessing Technological Innovation

Supporting a Rural Workforce

Improving Quality of Life

To leverage investments in rural property, the Agency also encourages projects located in rural Opportunity Zones where projects should provide measurable results in helping communities build robust and sustainable economies. An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service. See <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions> for more information.

To combat a key threat to economic prosperity, rural workforce and quality of life, the Agency also encourages applications that will support the Administration's goal to reduce the morbidity and mortality associated with Substance Use Disorder (including opioid misuse) in high-risk

rural communities by strengthening the capacity to address prevention, treatment and/or recovery at the community, county, state, and/or regional levels. See <https://www.cdc.gov/pwid/vulnerable-counties-data.html>. Key strategies include:

Prevention: reducing the occurrence of Substance Use Disorder (including opioid misuse) and fatal substance-related overdoses through community and provider education and harm reduction measures such as the strategic placement of overdose reversing devices;

Treatment: implementing or expanding access to evidence-based treatment practices for Substance Use Disorder (including opioid misuse) such as medication-assisted treatment (MAT); and **Recovery:** expanding peer recovery and treatment options that help people start and stay in recovery.

To focus investments to areas for the largest opportunity for growth in prosperity, the Agency encourages applications that serve the smallest communities with the lowest incomes, with an emphasis on areas where at least 20 percent of the population is living in poverty, according to the American Community Survey data by census tracts.

When addressing the above priorities, continue to take a close look at statutory and regulatory requirements regarding rurality, project eligibility, borrower eligibility, financial feasibility, and security for each loan application. Compliance with these requirements and guidelines are necessary to protect the integrity of the IRP and ensure consistency in its implementation.

If you have any questions, please contact Sami G. Zarour, Director, Specialty Programs Division, (202) 720-1400.