



**Rural Development**

February 27, 2018

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**TO:** State Directors  
Rural Development

**ATTN:** Community Programs Directors

**FROM:** Curtis M. Anderson /s/ *Curtis M. Anderson*  
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**SUBJECT:** Implementation of the Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity in the Community Facilities Loan and Grant Programs

**PURPOSE**

Executive Order 13790 entitled “Promoting Agriculture and Rural Prosperity in America” (82 FR 20237) was issued on April 25, 2017. This Executive Order established an Interagency Task Force on Agriculture and Rural Prosperity to promote agriculture, economic development, job growth, infrastructure improvements, technological innovation, energy security, and quality of life in rural America. The Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity (“Report”) was issued on January 8, 2018. The Report can be found here

<https://www.usda.gov/sites/default/files/documents/rural-prosperity-report.pdf>.

There are five Calls to Action identified in the Report: Achieving e-Connectivity for Rural America; Improving Quality of Life; Supporting a Rural Workforce; Harnessing Technological Innovation; and Economic Development. For each of these identified Calls to Action, there are outlined Objectives and Recommended Actions.

This unnumbered letter provides guidance on how to implement lending priorities in the Community Facilities Loan and Grant Programs to support the Objectives and Recommended Actions outlined in the Report.

**EXPIRATION DATE:**  
February 28, 2019

**FILING INSTRUCTIONS:**  
Community Programs

## **IMPLEMENTATION RESPONSIBILITIES**

Consistent with the Report and the existing regulatory frameworks for the Community Facilities Direct Loan Program found at 7 CFR Part 1942 and the Community Facilities Grant Program found at 7 CFR Part 3570, State Director Points and Administrator Points for Community Facilities Direct Loan Funds should be used to support funding for the following types of projects. (Community Programs Guaranteed Loans under 7 CFR Part 3575 do NOT provide similar administrative discretionary points):

- Essential community facilities advancing reliable and affordable high-speed internet connectivity through financing end-user equipment such as distance learning and telemedicine, and health information technology, as well as internal wiring and publicly available wi-fi capability within a facility.
- Essential community facilities advancing quality of life via modern utilities, efficient transportation, access to medical services, including those for the treatment of and recovery from opioid addiction, improved public safety, and improved public education.
- Essential community facilities advancing career training and development, including apprenticeship opportunities, and other facilities, to provide rural communities, organizations, and businesses a skilled workforce such as technical colleges, business incubators, and vocational technical high schools.
- Essential community facilities advancing technological innovation, e.g. expansion of STEM education and research; infrastructure development; innovative technology research, development and manufacturing; and robotics. Examples include: charter schools, science and technology high schools, and college campus academic buildings.
- Essential community facilities advancing innovative farm technologies, energy security, agritourism, and sustainable forest management, such as community college and university academic buildings.

The Agency should support these goals by using flexibilities permitted in the program regulations. For example, 7 CFR 1942.17(c)(2) outlines the project selection process for preapplications in the Community Facilities Direct Loan Program. Paragraph 1942.17(c)(2)(iii)(E) grants State Directors authority to add up to 15 points to an application's score:

to improve compatibility/coordination between Rural Development's and other agencies' selection systems and to assist those projects that are most cost effective. A written justification must be prepared and placed in the project file each time the State Director assigns these points.

Similarly, 7 CFR 3570.67 outlines the project selection process for applications in the Community Facilities Grant Program. Paragraph 3570.67(d)(1) grants State Directors the authority to add up to 15 points to an application's score:

to address unforeseen exigencies or emergencies, such as the loss of a community facility due to an accident or natural disaster or the loss of joint financing if Agency funds are not committed in a timely fashion. In addition, the points will be awarded to projects benefiting from the leveraging of funds in order to improve compatibility and coordination between the Agency and other agencies' selection systems and for those projects that are the most cost effective.

The Administrator has similar authority to add points to an application's score in both the Community Facilities Direct Loan and Grant Programs. For example, under 7 CFR §1942.17(c)(2)(vii) when states seek additional direct loan funding from the National Office, the Administrator:

may assign up to 15 additional points to account for items such as geographic distribution of funds and emergency conditions caused by economic problems or natural disasters.

For grants under 7 CFR 3570.67(d)(2), the Administrator:

may assign up to 30 additional points to account for geographic distribution of funds, emergency conditions caused by economic problems, natural disasters, or leveraging of funds.

The Administrator should use these authorities to the greatest extent allowed to support the Report goals noted above.

In addressing the Calls to Action in the Report, continue to take a close look at your statutory and regulatory requirements regarding rurality, project eligibility, applicant eligibility, financial feasibility and security, as applicable, for each loan and grant application. These requirements are further clarified in currently published Administrative Notices. Compliance with these requirements and guidelines is necessary to protect the integrity of the Community Facilities Loan and Grant Programs and ensure consistency in their implementation.

If you have any questions, please contact an Asset Risk Management Specialist in your region.