

RD AN No. 4781 (1942-A)  
(3570-B)  
(3575-A)

November 19, 2014.

TO: State Directors  
Rural Development

FROM: Tony Hernandez /s/ *Tony Hernandez*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Definition of “Rural” and “Rural Area” for Community Facilities  
Loans and Grants

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) is being issued to clarify the definition of “rural” and “rural area” for the Community Facilities (CF) direct and guaranteed loans and grants.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN No. 4662 (1942-A, 3570-B and 3575-A) dated June 21, 2012, which expired on June 30, 2013.

**IMPLEMENTATION RESPONSIBILITIES:**

For Community Facilities direct loans, guaranteed loans, and grants, section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) defines “rural” and “rural area” as a “city, town, or unincorporated area that has a population of not more than 20,000 inhabitants.”

The boundaries for unincorporated areas in determining populations will be based on the Census Designated Place(s)(CDP). Data from the most recent decennial census of the United States will be used.

An essential community facility must be located within an eligible rural community as defined above. It may be adjacent to, or closely related to, a non-rural area if it is determined that the facility primarily serves and benefits rural residents.

If you have any questions concerning eligibility of CF projects, please contact Karen Safer, Community Programs Loan Specialist at (202) 720-0974.

EXPIRATION DATE:  
September 30, 2015

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