

RD AN No. 4785 (3570-B)
February 2, 2015

TO: State Directors
Rural Development

ATTN: Community Programs Managers

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

SUBJECT: Community Facilities Grant Program
Maximum Eligible Federal Grant Assistance

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides clarification on the use of Federal grant assistance (the Federal share) toward the cost of developing essential community facilities under the Community Facilities (CF) grant program.

COMPARISON WITH PREVIOUS AN:

This AN replaces and updates RD AN No. 4652 (3570-B) dated May 29, 2012, which expired June 30, 2013.

IMPLEMENTATION RESPONSIBILITIES:

Use of Federal Grant Funds

7 CFR 3570.63(a)(8) provides that CF grant assistance may not exceed 75 percent of the cost of developing the essential community facility.

EXPIRATION DATE:
February 28, 2016

FILING INSTRUCTIONS:
Preceding RD Instruction 3570-B

Previously, the Agency determined that the 75 percent limit applied to the total of the CF grant assistance and any other Federal grant assistance provided for a project. However, after carefully reviewing subparagraph 306(a)(19)(B) of the Consolidated Farm and Rural Development Act, we have determined that the 75 percent limitation applies only to Community Facilities grant assistance and does not limit any other Federal grant assistance. No limitation is placed on the amount of Federal direct and guaranteed loan participation.

If you have any questions concerning this issue, please contact Karen Safer, Community Programs, Rural Development at (202) 720-0974.