



Rural Development
Rural Utilities Service

1400 Independence
Ave SW
Washington, DC
20250
Voice 202.720.9540
Fax 202.720.1725

TO: State Directors/Acting State Directors

ATTN: Area Directors
Area Specialist
Utilities Program Directors

FROM: Karl Elmshaeuser
Administrator
Rural Utilities Service

SUBJECT: Interest Rate Changes for Water and Waste Disposal Loans

Language in the Consolidated Farm and Rural Development Act requires that the poverty rate and the intermediate rate be determined based on the approval date of the loan. For those loans approved on or after May 23, 2008, the poverty rate will be set at 60 percent of the market rate and the intermediate rate set at 80 percent of the market rate, adjusted to the nearest one-eighth of one percent. Effective from July 1, 2025, through September 30, 2025, the interest rates for Water and Waste Disposal loans approved on or after May 23, 2008 are as follows:

Rate Level	Q4 Rate
Poverty 60%	3.125
Intermediate 80%	4.250
Market	5.250

Also, the rate for Watershed Protection and Flood Prevention loans and Resource Conservation and Development loans is set by the same method as outlined above. The new rate is **5.250%**.

The rates shown above were calculated as of June 9, 2025. Please notify appropriate personnel of these rates.

Sent by Electronic Mail on _____, at _____ by the Office of Budget and Policy. State Directors/Acting State Directors should advise other personnel as appropriate.

EXPIRATION DATE:
September 30, 2025

FILING INSTRUCTIONS:
Administrative/Other Programs