STAFF INSTRUCTION 1780-7

SUBJECT: 2021 Poverty Guidelines

TO: State Directors, Rural Development and Community Program Directors

EFFECTIVE DATE: Date of approval.

OFFICE OF PRIMARY INTEREST: Assistant Administrator, Water and Environmental Programs.

INSTRUCTIONS: File behind RUS Instruction 1780. This staff instructions supersedes and rescinds RUS Bulletin 1780-29, Annual Update of the Poverty Guidelines, effective February 1, 2020.

AVAILABILITY: This staff instruction is available on https://usdagcc.sharepoint.com/sites/rd_rus_wep/SitePages/Home.aspx.

PURPOSE: This staff instruction provides field offices with the revised poverty guidelines.

Scott A. Barringer
Acting Assistant Administrator
Water and Environmental Programs
TABLE OF CONTENTS

1 PURPOSE 3
2 POVERTY LINE RATES 3
3 INSTRUCTIONS FOR USE OF POVERTY LINE RATES 3

INDEX:

Water and Environmental Program
Poverty Rates

ABBREVIATIONS

CFR – Code of Federal Regulations
CPAP - Commercial Programs Application Processing system
HHS – Health and Human Services
RUS – Rural Utilities Service
USDA – United States Department of Agriculture

DEFINITION

Poverty Line - means the level of income for a family of four, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).
1 PURPOSE

This staff instruction provides field offices with the revised poverty guidelines.

2 POVERTY LINE RATES

The poverty line referred to in 7 CFR 1780.3(a) (RUS Instruction 1780) is $26,500 per year for all States, Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau except Alaska and Hawaii. The applicable poverty line is $33,130 for Alaska and $30,480 for Hawaii. These levels were established by the Department of Health and Human Services and published in the Federal Register February 1, 2021.

3 INSTRUCTIONS FOR USE OF POVERTY LINE RATES

A. The poverty line figure is to be inserted in the agency’s CPAP system, in Underwriting, USDA (Max Loan Amount), HHS Poverty Guidelines field.

B. The poverty line figure is used in the following three crucial areas of programmatic eligibility and priority for funding:

   i. To determine the maximum grant level the applicant qualifies for. Per 7 CFR 1780.10(c)(1), in order to qualify for the agency’s maximum grant of 75 percent, the median household income of the service area has to be below the higher of the poverty line or 80 percent of the state nonmetropolitan median income and the project is necessary to alleviate a health or sanitary problem;

   ii. To determine the interest rate the applicant qualifies for. Per 7 CFR 1780.13(b)(2), to qualify for the agency’s lowest poverty interest rate the median household income of the service area has to be below the higher of the poverty line, or 80 percent of the Statewide nonmetropolitan median household income;

   iii. The poverty line is used when ranking eligible applications for consideration for limited funds. Per 7 CFR 1780.17(c)(1) and (3), applicants receive median household priority points if the median household income of the population to be served by the proposed project is less than the poverty line if the poverty line is less than 80 percent of the statewide nonmetropolitan median household income.