



Rural Development

RD AN No. 4871 (1942-A, 3570-B, and 3575-A)

October 1, 2019

Bruce W. Lammers
Administrator

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TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: Bruce W. Lammers /s/ ***Bruce W. Lammers***
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Rural Housing Service

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 Community Facilities (CF) direct and guaranteed loans and grants consistent with Section 6402 of the Agriculture Improvement Act of 2018, Expanding Access To Credit For Rural Communities, and the Consolidated Farm and Rural Development Act.

COMPARISON WITH PREVIOUS AN:

This AN replaces and updates RD AN No. 4834 (1942-A, 3570-B and 3575-A) dated April 12, 2017, which expired on April 30, 2018.

IMPLEMENTATION RESPONSIBILITIES:

For CF direct loans and grants, section 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) defines “rural” and “rural area” as “any area other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.”

EXPIRATION DATE:
September 30, 2020

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

For CF guaranteed loans, section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) defines “rural” and “rural area” as “any area other than (i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).” The “rural” and “rural area” definition for CF guaranteed loans can also be found at 7 CFR 3575.2 Rural and rural areas, paragraph (2).

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. For CF direct loans and grants, the facility 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, please contact an Asset Risk Management Specialist for your region.