

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Rural Economic Development Loan and Grant Program  
Resolving Scoring Ties for Priority Funding in  
States Submitting Multiple Applications

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) is being issued to provide guidance concerning the Rural Economic Development Loan and Grant Program (REDLG) priority scoring of applications and breaking scoring ties for multiple applications submitted by a State when necessary. The outcome of this revision will provide the intended result of geographic distribution of REDLG funds and funding of the highest priority projects from individual States.

**COMPARISON WITH PREVIOUS AN:**

No previous AN has been issued on this subject.

**IMPLEMENTATION:**

RD Instruction 4280-A, Section 4280.42, provides the application evaluation and selection criteria for REDLG applications by awarding priority points based on scoring elements in that section. To ensure geographic distribution of REDLG funds, the quarterly funding competitions for available REDLG funds rank applications received from each State in their priority order from the highest to lowest score. This process is used to determine which project is a State's Priority One project, with the next highest score from that State then being a Priority Two project, etc. The Priority One projects from each State will compete quarterly by score against all other Priority One projects for the available funds. If REDLG funds remain available after all Priority One projects are funded, then a scoring competition is held with all Priority Two projects, and then Priority Three projects, etc. until all available funds are exhausted.

EXPIRATION DATE:  
January 31, 2022

FILING INSTRUCTIONS:  
RD Instruction 4280-A

It has been standard practice to consider tied application scores as an equal priority in a state, resulting in some states receiving multiple loan or grant awards that may prohibit a higher scoring project, but a lower State priority ranked project, from being funded. For example, State A submits two grant applications, each with a score of 150 points, and they are both determined to be that State's Priority One project. State B submits a grant application with a score of 160 points, its Priority One project, and one application with a score of 155. In this situation, funding all three Priority One projects may have the unintended consequence of eliminating funding for a higher-scoring Priority Two project from State B if there are not sufficient funds for any, or only some of the Priority Two project applications.

Though most priority scoring in the REDLG program has a fixed number of points that can be awarded when meeting their stated criteria, States should review the business plan scoring criteria in RD Instruction 4280-A, Section 4280.42(b)(11) that has scoring flexibility based on the business plan submitted by the Ultimate Recipient which includes a project description, an appropriate financial plan and support for their financial projections. Projects that show a stronger financial viability, economic development probability, and will result in long-term benefits to rural areas should be awarded higher priority points under this scoring criteria. The maximum number of available points from this section should not be freely awarded to all projects. An effective evaluation of this criteria by a State should reduce the number of tied priority point applications received for the quarterly funding competitions.

Projects submitted by a State for a quarterly funding competition should have a definitive funding priority through their total priority score. However, in cases where project applications from a State are submitted for a quarterly funding competition with the same priority score, the National Office will require that State to determine the funding priority for those projects with a tied priority score. This results in each State having only one Priority One project, one Priority Two project, etc. for each funding competition and will result in the intended geographic distribution of available REDLG program funds.

If you have any questions regarding the REDLG scoring criteria and competitions for available funding, please contact David Chestnut, Supervisory Business Loan and Grant Analyst, Program Management Division at (202) 692-5233 or [david.chestnut@usda.gov](mailto:david.chestnut@usda.gov).

/s/ **REBECKAH FREEMAN ADCOCK**

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Administrator  
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