



Rural Development

RD AN No. **4899** (1901-A, 1942-A, 1942-C, 3570-B)

Joaquin Altoro
Administrator

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1400 Independence Ave, SW
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TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: Joaquin Altoro
Administrator
Rural Housing Service

SUBJECT: Community Facilities Direct Loan and Grant Approval Authority

PURPOSE/INTENDED OUTCOME:

In alignment with RD Instructions 1901-A, 1942-A, 1942-C, and 3570-B, this Administrative Notice (AN) outlines the requirements for Rural Development State Directors to obtain approval authority for Community Facility (CF) Direct Loan and Grant programs. This AN has been updated to reflect increases in loan and grant approval authority.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 4890 (1901-A, 1942-A, 1942-C, 3570-B) dated December 14, 2022, which expired December 31, 2023.

IMPLEMENTATION RESPONSIBILITIES:

To obtain CF Direct Loan and Grant approval authority, Program Directors must demonstrate completion of the requirements specified below.

\$10 million Grant Approval Authority

- Completion of AgLearn – Grants Workforce Training Modules (Grants 101)
- Completion of CF University (available on Sharepoint).
- Completion of CPAP Training (available on Sharepoint).
- Obligation of three CF grants (other than Congressionally Directed Spending grants), with mentorship from an Asset Risk Management Specialist and National Office concurrence.

EXPIRATION DATE:
December 31, 2029

FILING INSTRUCTIONS:
1901-A, 1942-A, 1942-C and
3570-B

\$5 million Direct Loan Approval Authority

- Met requirements of \$10 million Grant Approval Authority.
- CF Financial Analysis and Underwriting Training (Held in person in 2022, available virtually on Sharepoint).
- Obligation of three CF Direct loans, with mentorship from an Asset Risk Management Specialist and National Office concurrence. At least one of these CF Direct loans must be \$1 million or greater.

\$10 million Direct Loan Approval Authority

- Met requirements of \$5 million Loan Approval Authority.
- Completion of three or more advanced CF subject matter trainings (available on Sharepoint).
- Obligation of two additional CF Direct loans, with mentorship from an Asset Risk Management Specialist and National Office concurrence. Both additional loans must be \$3 million or greater.

CF approval authority is not transferable to another employee. If the position of CF Program Director becomes vacant, the State Director's approval authority will be suspended. Once a new Program Director is selected, either permanently or on an acting basis, and the state can demonstrate compliance with the requirements specified above, the State Director may request the approval authority to be reinstated by letter to the CF Deputy Administrator.

In limited circumstances, a State Director may request to maintain approval authority if the departing Program Director remains employed in the RD State Office with capacity to continue to evaluate CF projects. The CF Deputy Administrator will consider these requests on a case-by-case basis and will consider the capacity and experience of the state's Community Programs staff in making this determination. If the State Director's request is approved, the departing Program Director will be required to evaluate the project and make a recommendation to the State Director on whether to approve the project. These projects will not count toward the fulfillment of the approval authority requirements specified above.

All of the training requirements specified above are available electronically through AgLearn or the CF Sharepoint (link here: https://usdagcc.sharepoint.com/sites/rd_hcfp/cf/SitePages/Home.aspx).

Collaboration and mentorship between the CF National Office and State Offices is of critical importance for the continued integrity of the program. Mentorship is a requirement to obtain approval authority and is a best practice to ensure timely processing, soundness of the program portfolio, and support for the essential community facility needs of rural communities.

If you have any questions, please contact your Asset Risk Management Specialist.