TO: State Directors/Acting State Directors

ATTN: Area Directors
      Area Specialist
      Utilities Program Directors

FROM: Christopher A. McLean
      Acting 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 April 1, 2022 through June 30, 2022, the interest rates for Water and Waste Disposal loans approved on or after May 23, 2008 are as follows:

Poverty Line....increased to............1.500%
Intermediate....increased to............2.000%
Market..........increased to............2.500%

EXPIRATION DATE: June 30, 2022

FILING INSTRUCTIONS:
Administrative/Other Programs

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 for current Water and Waste Disposal market rate loans and is as follows:

CURRENT RATE           NEW RATE
2.125%                  2.500%

Please notify appropriate personnel of these rates.
Interest Rate Changes for Water  
And Waste Disposal Loans

Sent by Electronic Mail on ____________, at _________ by Policy and Analysis Staff. State Directors/Acting State Directors should advise other personnel as appropriate.

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cc: Asst Sec-
RUS –
OEA –
WEP –