TO: State Directors
Rural Development

ATTN: Business Programs Directors

FROM: Mark Brodziski
Deputy Administrator Business Programs
Rural Business-Cooperative Service

SUBJECT: Intermediary Relending Program
Rural Business Development Grant
Unemployment Rate, Poverty Line Figures, and Loan Program Priorities

The purpose of this unnumbered letter (UL) is to provide the overall national unemployment rate for fiscal year 2022 and provide guidance to Business Programs’ officials in calculating Intermediary Relending Program (IRP) application priority scores.

Unemployment Rate

RD Instruction 4274-D, section 4274.341(b)(6) of the newly promulgated IRP regulation on December 21, 2021, and RD Instruction 4274-D, section 4274.344(c)(2)(iii) of the prior IRP regulation, provides for the awarding of priority points to IRP applications based on unemployment rates. The overall national unemployment rate for January 2022 was 4.0 percent. This unemployment rate will be used to compute the unemployment rate points until updated by the National Office. This supersedes the figure announced in an UL issued on March 23, 2021.

Poverty Line Figures

Effective immediately and continuing until further notice, the poverty line referred to in RD Instruction 4274-D, section 4274.341(b)(5) of the newly promulgated IRP regulation on December 21, 2021, RD Instruction 4274-D, section 4274.344(c)(2)(i) of the prior IRP regulation and RD Instruction 4280-E, section 4280.435(e), is $27,750 for all States except Alaska and Hawaii. The applicable poverty line is $34,690 for Alaska and $31,920 for Hawaii. These guidelines are unchanged and will remain in effect until March 31, 2023.

EXPIRATION DATE: March 31, 2023
FILING INSTRUCTIONS: Community/Business Programs
Loan Program Priorities

RD Instruction 4274-D, section 4274.341(b) of the newly promulgated IRP regulation on December 21, 2021 and RD Instruction 4274-D, section 4274.344(c) of the prior IRP regulation, contain a priority scoring system. Sections 4274.341(b)(5) and the prior 4274.344(c)(2) provide guidance for using the latest decennial Census income data updated according to changes in the consumer price index to have a current income figure. For 2022, there will be no updated index factor to use.

In 2020, the United States Census Bureau conducted its decennial census and an updated American Community Survey 5-year (ACS) for 2016-2020. Decennial Census and ACS data on population and income are currently used by RD program areas for a variety of purposes, including: eligibility determinations, prioritization, and allocations. Census has not fully released the 2020 decennial data or the updated 5-year ACS (2016-2020) needed for RD program areas to implement the transition from 2010 to 2020 data.

Implementation requires the use of two Census data sets: 2020 decennial data for the population data and 5-year ACS (2016-2020) income and poverty data to calculate State Non-metro Median Household Income (SNMHI). Data from both sets are used in allocation formulas.

The Census Bureau has recently informed RD that the release of both decennial Census data and 5-year ACS (2016-2020) is delayed and the timeline for when the data will be available is unknown. Please see Census for additional information on data release schedule:


Given the delay by Census in releasing these data, as well as the low response rate in rural areas for the 5-year ACS (2016-2020), RD is not able at this time to calculate SNMHI using the 2020 data. As such, Rural Development will use the 5-year ACS (2015-2019) to calculate an updated SNMHI.
Population Data

All RD programs will continue using 2010 Decennial Census population data until Census provides a full release of the 2020 decennial data. Further guidance will be provided when adoption of 2020 decennial can commence. Until that time, and unless specifically directed otherwise, programs are instructed to use the population data from the 2010 Decennial Census for program purposes. The data can be found at Census Data Hub.

As a part of Agency outreach activities and receipt of inquiries from potential applicants, please keep in mind the Department priority initiatives.

The Agency encourages applications that will assist rural communities recover from the impacts of COVID-19, ensure equity to Rural Development programs, and reduce impacts of climate change in rural America. Applicants are encouraged to consider projects that will advance the following three key priorities:

- Assist Rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities.
- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects.
- Reduce climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

To focus investments to areas for the largest opportunity for growth in prosperity, the Agency encourages applications that serve the smallest communities with the lowest incomes, with an emphasis on areas where at least 20 percent of the population is living in poverty, according to the American Community Survey data by census tracts.

When addressing the above priorities, continue to take a close look at statutory and regulatory requirements regarding rurality, project eligibility, borrower eligibility, financial feasibility, and security for each loan application. Compliance with these requirements and guidelines are necessary to protect the integrity of the IRP and ensure consistency in its implementation.

If you have any questions, please contact Will Dodson, Branch Chief, Intermediary Programs, Program Management Division, (202) 768-0592.

NOTES TO FILE:


Poverty line updated information was issued by the U.S. Department of Health and Human Services in the Federal Register notice for the 2022 Poverty Guidelines published on January 12, 2022.