



Rural Development

September 10, 2021

Rural Utilities Service

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TO: State Directors/Acting State Directors
ATTN: Area Directors
Area Specialist
Utilities Program Directors
FROM: Christopher A. McLean /s/ **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 October 1, 2021 through December 31, 2021, the interest rates for Water and Waste Disposal loans approved on or after May 23, 2008 are as follows:

Poverty Line....decreased to.....1.250%
Intermediate....unchanged at.....1.750%
Market.....decreased to.....2.125%

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
2.250%	2.125%

Please notify appropriate personnel of these rates.

EXPIRATION DATE:
December 31, 2021

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on September 21, 2021, at 2:45 pm by Policy and Analysis Staff. State Directors/Acting State Directors should advise other personnel as appropriate.