

RD AN No. 4716 (4279-B)
April 15, 2013

TO: State Directors, Rural Development
ATTN: Business Programs Directors
SUBJECT: Business and Industry Guaranteed Loan Program
Priority Point Scoring – Administrative Points

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance regarding the awarding of Administrative points for biobased projects in accordance with RD Instruction 4279-B, section 4279.155(b).

COMPARISON WITH PREVIOUS AN:

There have been no previous ANs on this subject.

IMPLEMENTATION RESPONSIBILITIES:

The U.S. Department of Agriculture (USDA) is committed to increasing the purchase and use of biobased products. The 2008 Farm Bill defined biobased products as . . . “a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials [including plant, animal, and marine materials] and forestry materials or an intermediate ingredient or feedstock.”

State Directors are strongly encouraged to add 10 administrative points to all projects that meet this definition, provided the project aligns with **area economic development strategies**. State Directors are further reminded that points may be awarded to any eligible project for statewide distribution of funds or for natural or economic conditions. An explanation of the assigning of these points by the State Director will be appended to the calculation of the project score maintained in the case file. Economic emergency conditions must have independent documentation in order for the points to be awarded, such as an economic study, a determination by the USDA Economist, or other acceptable documentation. Area economic development strategies must include a written plan that specifically identifies increased use or purchase of biobased products as an intended outcome.

EXPIRATION DATE:
April 30, 2014

FILING INSTRUCTIONS:
Preceding RD Instruction 4279-B

If an application is considered in the National Office, the Administrator may also assign up to an additional 10 points. Considered in the National Office includes guaranteed loan applications that have been concurred in by one of the National Office Loan Committees or have been funded from the National Office reserve. This does not include National Office cursory review of guaranteed loan applications or loans funded from the National Office when State Office allocations have not been made. The Administrator may assign the additional points to applications for items such as **geographic distribution of funds and emergency conditions caused by economic problems or natural disasters**.

A concern has been raised that not all states have communities that have been persistently poor over the past 60 years, as provided for in RD Instruction 4279-B, section 4279.155(b)(2)(ii). Due to the lack of more detailed data, this has been interpreted to mean cities, counties, and/or census tracts that have been suffering from persistent poverty. If you can thoroughly document that a community has been persistently poor over the past 60 years, you may award priority points under this category. Administrative points may also be awarded in accordance with the paragraph above.

If you have any questions, please contact the Business and Industry Division at (202) 690-4103.

(Signed by Lillian E. Salerno)

Lillian E. Salerno
Acting Administrator
Rural Business-Cooperative Service