

UNNUMBERED LETTERS ISSUED FOR THE SEPTEMBER OF 2011

Dated	Subject	Distribution
09-01-11	Section 9007, Rural Energy for America Program Technical Review Guidance for Fiscal Year 2011	S/D
09-09-11	Multi-Family Housing Programs Guidance for Rural Development Appraisers Completing Rent Comparability Studies for the Rural Development Voucher Program	S/D
09-14-11	Interest Rates for Water and Waste Disposal Loans	S/D, AD, RDM
09-16-11	Fiscal Year 2011 State Internal Review Summary Report	S/D
09-16-11	Rural Energy for America Program Energy Audit and Renewable Energy Development Assistance Award	S/D
09-16-11	Rural Energy for America Program Renewable Energy Feasibility Study Grant Award Package National Office Competition Awards	S/D
09-20-11	Interest Rate Changes for Community Facilities	S/D, AD, RDM
09-20-11	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, AD, RDM
09-22-11	Rural Development Audit Program	S/D
09-27-11	Interest Rate Changes for Business and Industry Loans	S/D, AD, RDM

September 1, 2011

TO: State Directors, Rural Development

ATTN: Business Programs Directors
Energy Coordinators

SUBJECT: Section 9007, Rural Energy for America Program
Technical Review Guidance for Fiscal Year 2011

The purpose of this Unnumbered Letter (UL) is to provide guidance for processing technical reviews for Rural Energy for America Program, Renewable Energy Systems and Energy Efficient Improvements loan and grant applications for Fiscal Year (FY) 2011.

Loan, grant, and combination applications for projects using the following technologies will be reviewed for technical merit and scored by the State Office. However, the National Renewable Energy Laboratory (NREL) will be available to provide technical reviews on projects where the State determines further technical expertise is needed to complete the technical review or the technology is new with limited data available. The following technologies will be reviewed by the State Office:

- Wind (Large and Small)
- Solar (Large and Small)
- Biomass (ethanol, biodiesel, and solid fuel production)
- Biomass boilers which are commercially available and use feedstock(s) that have a proven history in the boiler, and total project costs less than \$200,000
- Geothermal (Direct Use)
- Flexible Fuel Pumps
- Energy Efficiency projects

Loan, grant, and combination applications for projects using the following technologies will be submitted to NREL for technical review and scoring. A complete copy of the application must be forwarded for all NREL reviews.

- Geothermal Electric Generation
- Hydrogen
- Hydro-power, including hydro-electric and ocean energy
- Biomass technologies not listed above

EXPIRATION DATE
August 31, 2012

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All anaerobic digester projects will be submitted to the Environmental Protection Agency (EPA) AgSTAR for technical review and scoring.

State Offices will also perform the technical review of projects using a hybrid of technologies that are all assigned in this UL for review by the State. If one or more of the technologies require NREL review, NREL will review the technical reports.

Fillable excel documents used for technical reviews have been updated for FY 2011 and posted to SharePoint. The total technical review score must be entered into the Guaranteed Loan System. Further, cover memorandums with contact information for submitting technical reviews to NREL or EPA are attached. These memorandums are also posted on SharePoint.

To access the technical review templates and cover memorandums on SharePoint:

1. Go to the Energy Division SharePoint site, Shared Documents, located at:
<https://rd.sc.egov.usda.gov/teamrd/BP/energy/Shared%20Documents/Forms/AllItems.aspx>.
2. Access the “Rural Energy for America Program – RES – EEI” folder.
3. Access the “2011” folder.
4. Technical review templates and cover memorandums are posted in the “2011” folder.

If you have questions, please contact the Energy Division at (202) 720-1400.

(Signed by Judith A. Canales)

JUDITH A. CANALES
Administrator
Business and Cooperative Programs

Attachments

Exhibit A – NREL Cover Memo for Submitting Technical Reviews
Exhibit B – EPA AgSTAR Cover Memo for Submitting Technical Reviews

Exhibit A
NREL Cover Memo for Submitting Technical Reviews

Rural Energy for America Program
Section 9007

Renewable Energy Systems and Energy Efficiency Improvements
NREL Technical Review

TO: National Renewable Energy Laboratory
Attn: David Peterson, RSF/B406-04
16253 Denver West Parkway
Golden, CO 80401-3305
(303) 275-3615
David.Peterson@nrel.gov

FROM:	
ADDRESS:	
E-MAIL:	
PHONE #:	
APPLICANT:	
TECHNOLOGY:	
FINANCE TYPE:	
COMMENTS:	

Rural Energy for America Program
Section 9007

Renewable Energy Systems and Energy Efficiency Improvements
EPA AgSTAR Technical Review

TO: Kurt Roos
Environmental Protection Agency, AgSTAR
1310 L Street, NW.
Room 829
Washington, DC 20005

Please contact Kurt via e-mail rather than phone.
roos.kurt@epa.gov

FROM:	
ADDRESS:	
E-MAIL:	
PHONE #:	
APPLICANT:	
TECHNOLOGY:	
FINANCE TYPE:	
COMMENTS:	

For technical reviews submitted to EPA AgSTAR, please forward the following information:

- (1) Technical report
- (2) Feasibility Study
- (3) Farm description, including animal population, waste handling, collection, and management
- (4) Ensure the above documents include:
 - Timelines
 - Energy production estimates
 - GHG gas credits
 - Utility rate and interconnection agreements
 - Other wastes and delivery agreements that may be part of the project
 - Projected project economics from all waste sources
 - Project costs, financing arrangements, and requested amount from USDA
 - Project developer(s) and relevant experience
 - Equipment providers
 - Guarantees and warranties
 - Regulatory compliance and permitting
 - Operator training and post start-up support
 - Operating plan for the system, such as farm owner, third party, or other operating arrangements
 - Project closing process

September 9, 2011

TO: State Directors
Rural Development

ATTN: Rural Development Appraisers

FROM: Tammye Treviño
Administrator
Housing and Community Facilities Programs

SUBJECT: Multi-Family Housing Programs
Guidance for Rural Development Appraisers Completing Rent Comparability
Studies for the Rural Development Voucher Program

Background

In Fiscal Year 2006, the U.S. Department of Agriculture established a demonstration, the Rural Development Voucher Program (RDVP) as authorized under Section 542 of the Housing Act of 1949, as amended. The purpose in establishing the demonstration program was to assist tenants in their transition into the conventional rental market after owners of their apartment complexes paid off their Section 515 Direct loans. Congress' intent was to ease potential burden on the tenants if owners of Section 515 properties raised rents after Rural Development's affordable housing requirements and rental subsidies ceased to exist. Each Section 515 property that is subject to prepayment or foreclosure must have a Rent Comparability Study (RCS) performed in order to calculate the amount of the voucher to offer the tenants. Multi-Family Housing (MFH) estimates that about 200 of these RCSs will be conducted annually.

The RDVP is currently administered in part by a contractor. The contract has two components: packaging the information for the Voucher program, and conducting the RCS for each property where prepayment or foreclosure is likely. Due to budgetary constraints, Rural Development has decided to bring portions of this program management in-house. The first step in the transition is for Rural Development Appraisers to conduct the RCSs. Below is guidance for the Rural Development Appraisers in providing the RCS reports to Rural Development servicing officials.

Introduction

In order for the Multi-Family Housing Program to issue Rural Development vouchers to the tenants, a Certified General Appraiser must complete an appraisal or RCS determining the current market rent. The following provides guidance for when A) an accepted and current

EXPIRATION DATE:
September 30, 2012

FILING INSTRUCTIONS:
Housing Programs

appraisal is available and can be used; or B) the Agency Appraiser is required to provide a new RCS. In addition, guidance is provided on the procedure for ordering a RCS and on the definition of Market Rent.

A. Current Appraisal Available

If the most recent appraisal of the property is current within 12 months, and contains an acceptable market rent analysis (based on the appraisal review and acceptance of the report), the Rural Development Appraiser should provide a Rent Comparability Letter (Rent Comp Letter) identifying the subject property and restating the comparable market rent information (size, room count, rental amount) along with the effective date that was provided by the appraiser. The Rent Comp Letter should state the name of the original appraiser and reference the original appraisal report where all of the information can be located. This is not to be considered an appraisal, only a brief statement as to the information provided by the original appraiser. The Rural Development Appraiser should not provide their signature or certification number to this letter as it is not intended to represent an appraisal. The Rent Comp Letter is only to provide the comparable market rent information to the State staff from the original appraisal report in a condensed version.

B. New RCS Requested

If the subject property has not had an appraisal that was reviewed and accepted by a Rural Development Appraiser, or if the most recent appraisal completed on the property has an effective date that exceeds 12 months, the Appraiser should complete a Restricted Use Appraisal Report herein after referred to as the Rent Comparability Study or RCS. The RCS must be consistent with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). The Appraiser must provide the Market Rents rate as of the date of the RCS report. This is considered a new assignment.

In developing and reporting the RCS, the Rural Development Appraiser can use the original/accepted appraisal report and incorporate the property information, rental comparables and any other information or analysis needed by physical or electronic attachment, or by reference. The Appraiser can use either a qualitative or quantitative analyses to arrive at the conclusion of the rate for Market Rent. The Market Rent will be used by MFH in calculating a voucher amount.

In the RCS, the Appraiser should state:

- The subject property name
- That Rural Development is the client and the only intended user
- The intended use is to provide an opinion of comparable market rents for the Rural Development Voucher Program
- The effective date of value
- The date of the report
- The scope of work used to develop the appraisal
- The appraisal methods and techniques employed and the value opinion conclusion
- Any extraordinary assumptions, hypothetical conditions and limiting conditions and a statement that they may have an effect on value
- The use of the real estate existing and the use of the real estate reflected in the report.

The following information will be provided by the servicing official and should be included in the report:

- Property address
- Unit types
- Number of units in each type
- Unit sizes (sq. ft.)
- Property age
- Elderly/family
- Garden/elevator
- Borrower name

Any additional information required by the appraiser on the subject property or local comparable rentals should be provided with the assistance of the Rural Development staff located in the area that would service the property.

C. Servicing Officials order the RCS

The RCS is ordered after preservation incentives are declined if the property is going through the prepayment process. If the property is in foreclosure, the timing is dependent upon whether the state is a judicial or non-judicial state. The RCS should be conducted 90 days prior to the date of prepayment or foreclosure. The procedure for ordering an RCS remains unchanged and is as follows:

To request an RCS, Servicing Officials go to the Rural Development Voucher SharePoint site, <https://mfhdemoteam.sc.egov.usda.gov/voucher/Lists/RCS%20REQUESTS/Home%20view.aspx>.

Select “RCS REQUESTS”. Select “New.” If there is a recent appraisal for the property, you may attach the file by selecting “attach file;” then click “Browse” to find the correct file in your directory; once found click “OK.” The file will upload to the SharePoint entry. Proceed with the input of the requested data on the SharePoint site.

Appraisers will be provided access to the Rural Development Voucher SharePoint by the National Office. Appraisers will be notified of the RCS request via an email alert from the Rural Development Voucher SharePoint website. Upon notification of the RCS request, the appraiser will have 3-5 weeks to provide the Rent Comp Letter or Restricted Use Appraisal Report, as applicable, to the State Office staff. The Appraiser may contact the property manager to set up the site visit, if needed and to obtain any additional information. Once completed, the Appraiser will provide the Rural Development Servicing Official identified with an electronic copy of the RCS report with a copy to the National Office, attention: Joan.Atkinson@usda.gov. The RCS report is valid for 1-year. After 1-year, the RCS must be updated. If prepayment or foreclosure has not occurred after 2 years, a new RCS must be ordered to continue the voucher issuance process. Once the Servicing Official submits the Voucher Determination Summary to the National Office, subsequent RCS reports are not required, at this time.

D. The Definition of Market Rent

“Market Rent” is the rent that tenants would most probably pay for the rental unit if tenants were not receiving rental subsidies and rents were not restricted by government agencies. The estimate of Market Rent should be as of the effective date of the Rent Comp letter or RCS report,

and made without considering the market’s ability to absorb all of the rental units, but should not be linked to a specific exposure time in the open market, only that it be reasonable.

Rural Development appraisers will begin providing RCS reports to state offices no later than October 1, 2011.

For additional guidance concerning the appraisal procedures described above, please contact Thomas Ale, National Office Appraiser at (202) 720-1620. For Rural Development Voucher program assistance, please contact Joan Atkinson, Finance and Loan Analyst at (202) 720-1609.

September 14, 2011

TO: State Directors
Area Directors
Rural Development Managers

ATTN: Utilities Program Directors

FROM: Jonathan Adelstein
Administrator
Rural Utilities Service

SUBJECT: Interest Rates 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. Following are the new interest rates for water and waste disposal loans approved on or after May 23, 2008:

Poverty Line.....decreased to.....2.250%
Intermediate....decreased to.....3.000%
Market..... decreased to.....3.750%

For loans approved but not closed on or before May 22, 2008, the poverty rate will remain fixed at 4.500 percent and the intermediate rate will continue to be set at one-half of the difference between the poverty line rate and the market rate. Following are the new interest rates for water and waste disposal loans approved on or before May 22, 2008:

Poverty Line.....unchanged at.....4.500%
Intermediate....decreased to.....4.125%
Market..... decreased to.....3.750%

EXPIRATION DATE:
December 31, 2011

FILING INSTRUCTIONS:
Administrative/Other Programs

For this quarter, all loans approved or obligated before May 22, 2008 may be obligated at the lower market rate. These rates will be effective from April 1, 2011, through June 30, 2011.

Also, the rate for watershed protection and flood prevention loans and resource conservation and development loans is as follows:

CURRENT RATE	NEW RATE
4.250%	4.750%

Please notify appropriate personnel of these rates.

(Signed by Jonathan Adelstein)

Jonathan Adelstein
Administrator
Rural Utilities Service

Sent by Electronic Mail on 3/21/2011 at 2:00 pm by PAD.
State Directors should advise other personnel as appropriate.

September 16, 2011

TO: State Directors

ATTN: Administrative Program Directors
Management Control Officers

FROM: Clyde Thompson */s/ Clyde Thompson*
Deputy Administrator
Operations and Management

SUBJECT: Fiscal Year 2011 State Internal Review Summary Report

This memorandum is a reminder that RD Instruction 2006-M, "Management Control System," requires each state to conduct State Internal Reviews (SIRs), a comprehensive evaluation review of program and administrative functions, in its offices during the fiscal year. The State Director is required to submit a Summary Report on the results of the SIRs to the Director of the Financial Management Division (FMD).

Please submit your report for Fiscal Year (FY) 2011 to FMD no later than **December 30, 2011**. The timely submission of your report will be closely monitored. In the event that all of the reviews in your state have been completed, please feel free to submit your Summary Report to FMD prior to the **December 30, 2011**, due date.

In addition, the RD Instruction 2006-M also requires the following to be submitted to FMD:

- A copy of the SIR 5-Year Plan whenever it is updated or revised:
 - The annual update for FYs 2012 through 2016 is due by **December 30, 2011**; and
 - When revised between the annual updates, if additional changes or updates are made.
- Notification of any change in the Management Control Officer (MCO) and/or Alternate MCO designation. (To ensure statewide awareness, all state employees should also be notified of any changes to the MCO/Alternate MCO designation and how to contact them.)

If you have any questions, please contact John Purcell, Director, FMD at (202) 692-0080.

EXPIRATION DATE:
September 30, 2012

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 09/20/11, at 11:00 a.m. by FMD. State Directors should advise other personnel as appropriate.

September 16, 2011

TO: State Directors, Rural Development

ATTN: Business Programs Directors
State Energy Coordinators

SUBJECT: Rural Energy for America Program
Energy Audit and Renewable Energy Development Assistance Award

The Rural Energy for America Program, fiscal year 2011 funding selections for the Energy Audit and Renewable Energy Development Assistance grants submitted to the National Office are as follows:

State	Project	Grant Amount
AL	University of Alabama	\$ 97,500
CO	Colorado State University	\$ 37,500
CO	Delta-Montrose Electric Association	\$ 97,325
GA	The University of Georgia	\$ 100,000
HI	State of Hawaii, Department of Business, Economic, Development and Tourism, State Energy Office	\$ 100,000
ID	Boise State University	\$ 100,000
IN	Purdue University	\$ 96,531
IA	Iowa Department of Natural Resources	\$ 99,552
IA	Iowa Department of Economic Development	\$ 32,875
KY	University of Louisville Research Foundation, Inc.	\$ 100,000
ME	Greater Portland Council of Governments	\$ 100,000
ME	Efficiency Maine Trust	\$ 100,000
MI	Michigan State University	\$ 100,000
MN	Regents of the University of Minnesota	\$ 100,000
NV	Nevada System of Higher Education, Desert Research Institute	\$ 99,935
NM	Regents of New Mexico State University NMSU/Institute for Energy and the Environment	\$ 100,000
NC	Land of Sky Regional Council	\$ 99,825
NC	North Carolina State University	\$ 100,000
OR	Oregon Institute of Technology	\$ 100,000
OR	Oregon State University	\$ 74,209

EXPIRATION DATE:
September 30, 2012

FILING INSTRUCTIONS
Community/Business Programs

Energy Audit and Renewable Energy Development Assistance Award

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PA	Saint Francis University	\$ 100,000
PA	The Pennsylvania State University	\$ 99,676
RI	Rhode Island Resource Conversation and Development Area Council, Inc.	\$ 50,000
WA	Washington State University	\$ 100,000
WA	Washington State Department of Commerce	\$ 100,000
WV	West Virginia Division of Energy	\$ 100,000
WY	University of Wyoming, Office of Research	\$ 60,000
	TOTAL	\$2,444,928

States with successful applications should process them in accordance with RD Instruction 4280.195. Please notify the referenced applicants of their selection. Appeal and review rights should be offered in accordance with 7 CFR, part 11 for unsuccessful applications.

If you have any questions, please contact Kelley Oehler, Branch Chief, Energy Division, at (202) 720-6819.

(Signed by PANDOR H. HADJY)

PANDOR H. HADJY
Deputy Administrator
Business Programs

September 16, 2011

TO: State Directors, Rural Development

ATTN: Business Programs Directors
State Energy Coordinators

SUBJECT: Rural Energy for America Program
Renewable Energy Feasibility Study Grant Award Package
National Office Competition Awards

The Rural Energy for America Program funding selections for the Renewable Energy Feasibility Study Grant Program National Office competition are as follows:

State	Project	Grant Request
CO	Northern Colorado Windpower, LLC	\$ 50,000
HI	Frank A. Cipriani dba Biofarms Hawaii, LLC	\$ 14,225
HI	Tawn I. Keeney dba The Honoka'a People's Theater	\$ 1,041
HI	Pacific Light and Power, Inc.	\$ 35,338
IA	Plymouth Energy, LLC	\$ 9,829
ID	Don W. Gilbert Hydro Power, LLC	\$ 14,650
ID	Elizabeth Olson	\$ 1,600
IN	e-Biofuels, LLC	\$ 3,149
MD	Berrywine Plantations, Inc. dba Linganore Winecellars	\$ 11,625
ME	Corinth Wood Pellets, LLC	\$ 9,000
MI	Arbre Farms Corporation	\$ 7,000
MI	Lowell Light and Power	\$ 30,000
MI	Suburban Aviation, Inc.	\$ 10,000
MN	Little Rock Wind, LLC	\$ 50,000
MN	Norfolk Wind Energy, LLC	\$ 50,000
MN	Whirlwind Energy, LLC	\$ 50,000
ND	Carrie Piper Cummer	\$ 10,000
NE	Growth Design Energy Nebraska, LLC	\$ 10,000
NJ	Renu Energy, Inc.	\$ 50,000

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FILING INSTRUCTIONS
Community/Business Programs

State	Project	Grant Request
OR	Donald G. Averill	\$ 27,500
PR	Recast Energy, LLC	\$ 9,575
RI	Global Imaging Holdings Realty LLC	\$ 50,000
RI	Plain Lane Acres LLC	\$ 50,000
SD	Blue Cloud Wind, LLC	\$ 50,000
SD	Dakota Wind Energy, LLC	\$ 50,000
SD	Flandreau Windfarm, LLC	\$ 50,000
SD	Northern Wind, LLC	\$ 50,000
SD	West Pipestone Creek, LLC	\$ 50,000
TX	Gulf Coast Wind, LLC	\$ 31,296
TX	Hall Brothers Partnership	\$ 25,000
TX	Midwest Renewable Energy, Inc.	\$ 50,000
TX	Mr. E. Green, Inc.	\$ 31,938
TX	Wind Miner, LLC	\$ 29,114
UT	K C Ranches, Inc.	\$ 50,000
UT	Ticaboo Electric Improvement District	\$ 50,000
VA	Burnshire Hydroelectric, LLC	\$ 10,000
VT	Green Mountain Clean Energy, LLC	\$ 50,000
VT	Lemington Solar Farm, LLC	\$ 15,000
WA	SKS Management	\$ 43,750
WP	Ocean Thermal Energy Corporation	\$ 50,000
		\$1,240,630

States with successful applications should process them in accordance with RD Instruction 4280.181. Please notify the referenced applicants of their selection. Grants should be obligated using type of assistance code “505,” entitled “REAP Mandatory Feasibility Studies.” Appeal and review rights should be offered in accordance with 7 CFR, part 11 for unsuccessful applications.

If you have any questions, please contact Kelley Oehler, Branch Chief, Energy Division, at (202) 720-6819.

(Signed by PANDOR H. HADJY)

PANDOR H. HADJY
Deputy Administrator
Business Programs

September 20, 2011

TO: State Directors
Area Directors
Rural Development Managers

ATTN: Community Facilities Program Directors

FROM: Tammye Treviño (Signed by Tammye Treviño)
Administrator
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Community Facilities

Effective from October 1, 2011, through December 31, 2011, the interest rates for direct community facility loans are as follows:

Poverty Line...unchanged at.....4.500%
Intermediate...decreased to.....4.125%
Market.....decreased to.....3.750%

For this quarter, all loans may be obligated at the lower market rate. Please notify appropriate personnel of these rates.

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December 31, 2011

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 9/20/2011, at 10:00 am by Program Analysis Division. State Directors should advise other personnel as appropriate.

September 20, 2011

TO: State Directors
Area Directors
Rural Development Managers

ATTN: Rural Housing Program Directors

FROM: Tammye Treviño (Signed by Tammye Treviño)
Administrator
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

The following interest rates, effective October 1, 2011, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgment Rate	0.210%	0.100%

The new rate shown above is as of the week ending August 26, 2011. The actual judgment rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield (http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_H15_TCMNOM_Y1.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Very-Low or Low	4.250	3.875
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EXPIRATION DATE:
October 31, 2011

FILING INSTRUCTIONS:
Administrative/Other Programs

Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

2

Single Family Housing (SFH) Nonprogram	4.750	4.375
Rural Housing Site (RH-524), Non-Self-Help	4.250	3.875
Rural Rental Housing and Rural Cooperative Housing	4.250	3.875

Please notify appropriate personnel of these rates.

Sent by Electronic Mail on 9/20/2011, at 10:00 am by Policy Analysis Division. State Directors should advise other personnel as appropriate.

September 22, 2011

TO: Agency Administrators
State Directors

ATTN: National Office Officials
Administrative Program Directors
Management Control Officers

FROM: Van B. Jorstad */s/ Van B. Jorstad*
Chief Financial Officer

SUBJECT: Rural Development Audit Program

The Rural Development (RD) Audit Program has been updated for Fiscal Year 2012 in order to provide audit-related guidance for selected RD programs. The Audit Program is effective for audit periods ending on December 31, 2011, and thereafter. The Audit Program incorporates the Government Auditing Standards issued by the Government Accountability Office.

The following RD programs are included in the Audit Program along with the appropriate Catalog of Federal Domestic Assistance (CFDA) numbers:

CFDA No. 10.415 – Rural Rental Housing Loans
CFDA No. 10.766 – Community Facilities Loans and Grants
CFDA No. 10.768 – Business and Industry Guaranteed Loans
CFDA No. 10.767 – Intermediary Relending Program
CFDA No. 10.854 – Rural Economic Development Loans and Grants

If requested, copies of the September 2011 Audit Program should be provided to RD borrowers, their independent auditors, and RD staff.

Copies of the RD Audit Program may be obtained via the RD internet homepage at: <http://www.rurdev.usda.gov/rd/auditprogram.pdf>. Please provide the internet address to all parties interested in obtaining copies of the Audit Program.

EXPIRATION DATE:
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Administrative/Other Programs

Questions concerning the RD Audit Program may be directed to John Purcell, Director, Financial Management Division (FMD) at (202) 692-0328 or John.Purcell@wdc.usda.gov.

Sent by Electronic Mail on 09/27/11, at 06:00 p.m. by FMD. Agency Administrators and State Directors should notify other personnel as appropriate.

September 27, 2011

TO: State Directors
Area Directors
Rural Development Managers

ATTN: Business Program Directors

FROM: Judith A. Canales *(Signed by Curtis Wiley)* for
Administrator
Business and Cooperative Programs

SUBJECT: Interest Rate Changes for Business and Industry Loans

The following interest rate is in effect October 1, 2011, through December 31, 2011.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	3.250%	3.250%

Please notify appropriate personnel of this rate.

EXPIRATION DATE:
December 31, 2011

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 9/27/11, at 3:30 pm by Program Analysis Division. State Directors should advise other personnel as appropriate.