

UNNUMBERED LETTERS ISSUED FOR THE SEPTEMBER OF 2012

Dated	Subject	Distribution
09-10-12	Discontinuation of the Rural Energy Plus Program Single Family Housing Direct Loan Program	S/D
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09-18-12	Rural Economic Development Loan and Grant Program Projects Funded for July, Fiscal Year 2012	S/D
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09-24-12	Interest Rate Changes for Community Facilities	S/D, AD, RDM
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09-25-12	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, AD, RDM

September 10, 2012

TO: State Directors
Rural Development

ATTN: Program Directors
Single Family Housing

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

SUBJECT: Discontinuation of the Rural Energy Plus Program
Single Family Housing Direct Loan Program

On June 6, 2006, the Home Energy Advantage pilot program was established with an 18-month operational period. The purpose of the nationwide pilot was to “expand access to new, affordable housing opportunities in rural America, while emphasizing energy conservation.” The pilot, which was renamed the Rural Energy Plus program, was subsequently extended and then made permanent. With Procedure Notice 444, dated December 1, 2010, guidance on this program was added to Handbook-1-3550, Chapter 4.

This program, which allows the qualifying ratios to exceed the established thresholds by up to two percentage points with the purchase of an energy-efficient home, will be immediately discontinued in the Single Family Housing (SFH) Direct loan program. The Agency will, however, honor the terms of this program if an applicant possessed a valid and unexpired Certificate of Eligibility at the time of this memorandum or submitted an agreement to purchase an energy-efficient home before issuance of this guidance.

The discontinuation of the Rural Energy Plus program applies to SFH Direct loans only; the program will continue under the SFH Guaranteed loan program.

Energy conservation remains an important objective. However, allowing higher qualifying ratios and thus a higher loan amount under a subsidized mortgage program has proven impractical. This is especially true given that new construction financed under the program must meet the thermal standards as determined by the 2006 International Energy Conservation Code (refer to RD AN No. 4603).

EXPIRATION DATE:
August 31, 2013

FILING INSTRUCTIONS
Housing Programs

Discontinuation of the Rural Energy Plus Program

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Steps will be taken to remove all references to the Rural Energy Plus Program from the Direct Single Family Housing Programs Field Office Handbook (HB-1-3550).

Questions regarding this memorandum should be directed to Christopher Ketner of the Single Family Housing Direct Loan Division at (202) 690-1530 or christopher.ketner@usda.gov.

Sent by Electronic Mail on September 11, 2023 at 3:15 p.m. by Single Family Housing Direct Loan Division. The State Director should advise other personnel as appropriate.

September 18, 2012

TO: State Directors, Rural Development
 ATTN: Business Programs Directors
 SUBJECT: Intermediary Relending Program
 National Reserve Funding

The fiscal year (FY) 2012 national reserve funding selections for the Intermediary Relending Program (IRP) non-set-aside funds are listed below for your information. The priority points for each project are inclusive of any Administrator points that were awarded. The selections are as follows:

<u>State</u>	<u>Project Name</u>	<u>Amount</u>	<u>Priority Points</u>	<u>Adm</u>	<u>Total</u>
WPAC	Pacific Islands Development Bank	\$350,000	180	20	200
SD	Northeast South Dakota Economic Corp.	\$400,000	160	20	180
SD	Rural Electric Economic Development, Inc.	\$400,000	160	15	175
OR	Greater Eastern Oregon Development Corp.	\$400,000	135	20	155
NY	Cattaraugus County Business Development Corp.	\$400,000	125	28	153
MA	Cape & Islands Community Development, Inc.	\$400,000	115	33	148
DE	First State Community Loan Fund	\$364,437	125	19	144
PA	Altoona-Blair County Development Corp.	\$400,000	130	11	141
CA	SAFE-BIDCO	\$400,000	125	15	140
NM	New Mexico Community Development Loan Fund, Inc.	\$400,000	135	0	135
NH	Rockingham Economic Development Corp.	\$400,000	110	20	130
ME	Northern Maine Development Commission	\$400,000	110	20	130
SC	Southern Association for Financial Empowerment	\$285,563	90	11	101
SC	Small Business Assistance Corp.	\$400,000	80	13	93
ND	South Central Dakota Regional Council	\$151,000	85	0	85
TX	La Feria Industrial Development Corp.	\$400,000	80	0	80
MN	Greater Jobs, Inc.	\$385,563	35	0	35
Total		\$6,336,563			

EXPIRATION DATE:
 September 30, 2013

FILING INSTRUCTIONS:
 Community/Business Programs

Funds totaling \$5,967,000 were pooled on July 19, 2012, and made a part of the unrestricted reserve. There was a total of \$6,336,563.16 available for this national funding.

Please provide appropriate notification to applicants that did not receive an allocation. Applications that have been unsuccessful in less than four quarterly funding cycles should be considered again next fiscal year. You are reminded that this is the only round of funding for the IRP unrestricted reserve.

(Signed by PANDOR H. HADJY)

PANDOR H. HADJY
Deputy Administrator
Business Programs

September 18, 2012

TO: State Directors, Rural Development
ATTN: Business Programs Directors
SUBJECT: Rural Economic Development Loan and Grant Program
Projects Funded for July, Fiscal Year 2012

Business Programs has announced loan and grant selections for the July funding for fiscal year (FY) 2012, under the Rural Economic Development Loan and Grant program. A listing of the loan and grant awards is attached for your information.

During the July cycle of FY 2012, five zero-interest loan applications, for \$3,060,000, were considered by Business Programs. Based on the availability of funds, all applications were selected for funding. These funds will be leveraged by \$10,685,000 of private and public financing, directly creating an estimated 101 jobs and retaining 12 jobs.

In addition to the loan selections, two grants totaling \$600,000, to finance a revolving loan fund program that will be operated by a rural utility, were selected for funding. As a result of these grants, the initial zero-interest loans from the revolving loan fund program, leveraged by \$1,066,359 of private and public financing, will directly create 5 jobs and retain 35 jobs.

If you have any questions, please contact Cindy Mason, Business Loan and Grant Analyst at (202) 690-1433, or Melvin Padgett, Business Loan and Grant Analyst at (202) 720-1495, Specialty Programs Division.

(Signed by PANDOR H. HADJY)

PANDOR H. HADJY
Deputy Administrator
Business Programs

Attachments

EXPIRATION DATE:
September 30, 2012

FILING INSTRUCTIONS:
Community/Business Programs

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR LOAN FUNDS – July Funding FY 2012**

FY 2012 Allocated Funds	\$33,077,000.00
Carryover Funds	\$46,149,943.22
Total Available	\$79,226,943.22
Less October Funding	\$ 3,669,000.00
Less November Funding	\$ 1,697,750.00
Less December Funding	\$ 1,290,000.00
Less January Funding	\$ 1,194,000.00
Less February Funding	\$ 214,100.00
Less March Funding	\$ 6,200,000.00
Less April Funding	\$ 4,084,000.00
Less May Funding	\$ 7,758,500.00
Less June Funding	\$ 4,551,820.00
Less July Funding	\$ 3,060,000.00
Balance Remaining	\$45,507,773.22

<u>State</u>	<u>Project</u>	<u>Loan Amount</u>	<u>REDL Number</u>
MS 53	South Mississippi Electric Power Association	\$1,000,000	1373
KS 32	Ark Valley Rural Electric Cooperative Association, Inc.	\$ 160,000	1374
IA 52	Hawkeye Tri-County Electric Cooperative	\$ 500,000	1375
NC 40	Brunswick Electric Membership Corporation	\$1,000,000	1376
OK 6	Caddo Electric Cooperative, Inc.	\$ 400,000	1377

5 Loans Total \$3,060,000

Balance of Loan Funds After Above Request: \$45,507,773.22

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR GRANT FUNDS – July Funding FY 2012**

FY 2012 Allocated Funds	\$ 4,930,086.22
Carryover Funds	\$ <u>5,069,913.78</u>
Total Available	\$10,000,000.00
Less October Funding	\$ 850,000.00
Less November Funding	\$ 300,000.00
Less December Funding	\$ 794,800.00
Less January Funding	\$ 300,000.00
Less February Funding	\$ 300,000.00
Less March Funding	\$ 2,290,000.00
Less April Funding	\$ 495,108.00
Less May Funding	\$ 1,880,119.00
Less June Funding	\$ 720,000.00
Less July Funding	\$ <u>600,000.00</u>
Balance Remaining	\$ 1,469,973.00

State	Project	Grant Amount	REDG Number
IA 501	Laurens Municipal Light & Power Plant	\$300,000	566
SD 50	Dakota Energy Cooperative, Inc.	\$300,000	567

2 Grants Total \$600,000

Balance of Grant Funds After Above Request: \$1,469,973

September 24, 2012

TO: State Directors
Rural Development

ATTENTION: Housing Program Directors

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

SUBJECT: Search of Suspension or Debarment
Single Family Housing Programs

As prescribed in the regulations and procedures that govern the Single Family Housing Programs, applicants and other parties (lenders, contractors, loan application packagers, etc.) must not be suspended or debarred from participation in Federal programs in order to be eligible for Agency assistance or to engage in activities related to the mortgage transactions. The system previously used to search for parties who have been suspended or debarred, the Excluded Parties List System (EPLS), was migrated to the System for Award Management (SAM) at the end of July. Notice of this migration was posted on the EPLS website in advance of the migration date.

Steps are underway to replace references to the EPLS website with the SAM website in the Direct Programs' checklists (Attachment 3-G and Attachment 12-C), the application pages of the Guaranteed Loan System (GLS) and the USDA Administration page of the Guaranteed Underwriting System (GUS).

The search function in the SAM system (<https://www.sam.gov/portal/public/SAM/>) is functioning after experiencing performance issues during the first weeks of August. The SAM reports are not yet available.

To perform a search of suspension or debarment, a Field Office staff member does not need to create a SAM account but they do need to access the system using their government computer. Select the "Search" tab from the navigation bar, enter the name of the applicant or entity, and hit the "Search" button. If results are returned, filter by functional area by checking "Performance Information" and then hit the "Apply Filters" button. This filter is crucial and must not be overlooked. Be sure to leave the "Active" record status checked. For Direct, print the results of the search and place the printout in the case file. For Guaranteed, the results of the search are required to be imaged as part of the official folder for Rural Development.

EXPIRATION DATE
September 30, 2013

FILING INSTRUCTIONS
Housing Programs

If you have questions on the SAM system, please visit the Federal Service Desk at <http://www.fsd.gov>. Questions specific to the Section 502 Direct or Guaranteed Loan Programs may be directed to division members at (202) 720-1474 (Direct) or (202) 720-1452 (Guaranteed).

Sent by Electronic Mail on September 24, 2012, at 1:45 p.m. by Single Family Housing Direct Loan Division. The State Director should advise other personnel as appropriate.

September 24, 2012

TO: State Directors
Area Directors
Area Specialist

ATTN: Community Facilities Program Directors

FROM: Tammye Treviño (signed by Cristina Chiappe) for
Administrator
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Community Facilities

Effective from October 1, 2012, through December 31, 2012, the interest rates for direct community facility loans are as follows:

Poverty Line...unchanged at.....4.500%
Intermediate...unchanged at.....4.000%
Market.....unchanged at.....3.500%

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

EXPIRATION DATE:
December 31, 2012

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 9/25/2012, at 3:00 pm by Program Analysis Branch. State Directors should advise other personnel as appropriate.

September 25, 2012

TO: State Directors
Area Directors
Area Specialist

ATTN: Utilities Program Directors

FROM: John C. Padalino (signed by Jessica Zufolo) for
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. Following are the new interest rates for water and waste disposal loans approved on or after May 23, 2008:

Poverty Line...unchanged at.....2.125%
Intermediate...unchanged at2.750%
Market.....unchanged at3.500%

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...unchanged at..... 4.000%
Market.....unchanged at..... 3.500%

EXPIRATION DATE:
December 31, 2012

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 October 1, 2012, through December 31, 2012.

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

CURRENT RATE	NEW RATE
3.500%	3.500%

Please notify appropriate personnel of these rates.

Sent by Electronic Mail on 9/25/12, at 3:00 pm by Program Analysis Branch. State Directors should advise other personnel as appropriate.

September 25, 2012

TO: State Directors
Area Directors
Area Specialist

ATTN: Rural Housing Program Directors

FROM: Tammye Treviño (signed by Cristina Chiappe) for
Administrator
Housing and Community Facilities Programs

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

The following interest rates, effective October 1, 2012, are reported as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgment Rate	0.170%	0.170%

The new rate shown above is as of the week ending September 28, 2012. 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	3.125	3.125
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EXPIRATION DATE:
October 31, 2012

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	3.625	3.625
Rural Housing Site (RH-524), Non-Self-Help	3.125	3.125
Rural Rental Housing and Rural Cooperative Housing	3.125	3.125

Please notify appropriate personnel of these rates.