

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF JUNE 2004

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	Rural Economic Development Loan and Grant Program Projects Funded for Third Quarter Funding Fiscal Year 2004	S/D
06-25-04	Interest Rate for Direct Business and Industry Loans	S/D, RDM, CDM
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM, CDM

June 7, 2004

SUBJECT: Use of Rental Cars

TO: All Rural Development National Office Employees

This is a reminder that the use of rental cars while on official travel must be determined to be cost advantageous to the Government and must be specifically authorized on an individual's travel authorization. Employees will be held accountable for any additional cost(s) resulting from the use of rental cars for other than official travel-related purposes.

All Rural Development travelers are expected to use their Travel Management Center to reserve rental cars and must lease only sub-compact or compact vehicles unless larger vehicles can be justified and have been approved, in advance.

The Government is a self-insurer and rental vehicles available under agreement(s) with the Government include full coverage insurance for damages resulting from an accident while performing official travel. Therefore, unless you are traveling outside the continental United States, you will not be reimbursed for the costs of collision damage waiver nor theft insurance.

Receipts are required and must be submitted to approval officials for reimbursement of expenses related to car rental and gasoline purchases, regardless of the amount.

Please refer to Federal Travel Regulation, Sections 301-10.450 through 301-10.453, and RD Instruction 2036-A, Section 2036.10(e), for additional guidance on rental cars. Questions relating to the above may be addressed to Theresa Hollowell (202-692-0227) or Irene Wofford (202-692-0030), in the National Office Travel Unit.

(Signed Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
May 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 06-09-04 at 10:50 a.m. by CSD.

June 9, 2004

SUBJECT: Rural Business Opportunity Grant Program
Native American Earmark
Fiscal Year 2004 Funding Selections

TO: State Directors, Rural Development

ATTN: Business Programs Directors

We have recently completed the funding cycle for the Native American earmark. There were 30 requests for funds competing for a total of \$2,033,336. We are pleased to announce that 16 requests were selected for funding, totaling \$994,100, as follows:

State	Applicant	Amount Awarded
AK	Kawerak, Inc.	\$ 85,818
ID	Nex Perce Tribe	\$ 68,642
MN	White Earth Reservation Tribe Council	\$ 35,500
UT	Ute Indian Tribe	\$ 32,500
SD	Four Bands Community Fund, Inc.	\$ 95,000
ME	Penobscot Indian Nation	\$ 63,790
WY	Wind River Development Fund	\$ 76,056
OR	Columbia River Inter-Tribal Commission	\$ 39,000
MT	Confederated Salish & Kootenai Tribes	\$ 50,000
NE	Village of Santee	\$ 45,000
OK	Kaw Nation	\$ 34,850
CA	Coyote Valley Tribal Council	\$ 50,000
NV	South Fork Indian Reservation/South Fork Band	\$ 20,000
ND	Marketplace of Ideas/Marketplace for Kids, Inc.	\$ 50,000
NM	Pueblo of Cochiti	\$ 100,000
NC	Eastern Band of Cherokee	\$ 147,944
	Total	\$ 994,100

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Community/Business Programs

The type of assistance code to obligate these requests is 312. State Offices must notify the applicants not selected for funding.

If you have any questions, please contact Diane Berger, Loan Specialist, Specialty Lenders Division Processing Branch, (202) 720-2383.

(Signed by William F. Hagy, III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

June 16, 2004

SUBJECT: Smart Benefit Program and the Guaranteed Ride Home Program

TO: Rural Development National Office Employees
Washington, DC, only

The Department has requested that we provide information to all National Office employees concerning the Smart Benefit Program and the Guaranteed Ride Home Program.

The Smart Benefit Program is an option available to employees participating in the Transit Subsidy Program. Employees are encouraged to purchase a Smart Benefit Program card (SmarTrip Card), similar to a credit card, for \$5 and to register the SmarTrip Card with the Washington Metro Area Transit Authority (WMATA). After receiving their SmarTrip Card and applying for the Smart Benefit Program, employees pick-up benefits anytime between the beginning and end of each month using their SmarTrip Card at any Metro Station. This means no more standing in line to pick-up benefits during the designated distribution times. Applications for the SmarTrip Card can be found at <http://www.wmata.com>. Applications for the Smart Benefit Program can be found at <http://www.usda.gov/da/shmd/wlforms.htm>.

The Guaranteed Ride Home Program guarantees a ride home, up to three times a year, for employees who use some type of mass transit or are in a carpool. The program is to be used in cases of emergencies or when you are required to work overtime, unexpectedly. There is no cost associated with this program. Applications can be found at <http://www.mwcog.org/commuter/ccindex.html>.

For more information concerning these programs, please check out the websites listed above, or call Judy Steer at (202) 692-0012.

(Signed by Thomas Hannah) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
June 30, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 06-17-04 at 2:15 p.m. by CSD.

June 17, 2004

SUBJECT: Federal Express Shipping Procedures

TO: Rural Development National Office Officials
Washington, DC, Only

Effective October 1, 2004, Federal Express (FedEx) shipping labels will no longer be completed by Support Services Division staff. Rural Development staff using FedEx will be required to process their shipping labels via the FedEx Internet website at www.fedex.com. Rural Development is now a registered member of the FedEx Ship Manager (Passkey) system.

Any Rural Development employee who processes FedEx shipments must have a User ID and Password to log on to the FedEx Passkey. To obtain a User ID and Password, you must contact the Passkey Administrator, Rod Williams, at 202-692-0027 or via e-mail at rod.williams@usda.gov. User friendly instructions will be provided with your User ID and Password.

The implementation of FedEx Passkey is to provide Rural Development shippers with better control over their shipping needs, easier and more convenient tracking capabilities, and provide Rural Development with better accountability.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
June 30, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent via e-mail on 06-22-04 at 9:30 a.m. by SSD.

June 21, 2004

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors

FROM: David J. Villano *(Signed by David J. Villano)*
Deputy Administrator
Single Family Housing

SUBJECT: Single Family Housing New Employee Training Guide

The purpose of this memorandum is to provide guidance on the use of the recently completed New Employee Training Guide developed for the Single Family Housing (SFH) Direct Loan and Grant programs. The development of this Training Guide is in response to the training needs of the Agency, information gathered from the SFH Training Survey completed by State Directors and State Housing Program Directors, and findings of the Management Control Review process.

We recognize the challenge facing us in our efforts to provide homeownership opportunities to very low and low-income residents in a professional and efficient manner. With the loss of many of our most experienced and knowledgeable employees, the task of delivering the program will rest with many new and inexperienced employees. Knowledgeable and well-trained employees are essential to the success of SFH programs.

A Task Force, made up of representatives from the national office, state offices, field offices, National Association of Credit Specialists (NACS), and National Association of Support Personnel (NASP) developed the New Employee Training Guide. The Training Guide incorporates information contained in the 3550 Handbooks, 7 CFR 3550 Regulations, and the DLOS Training Manual. The Training Guide, consisting of a Student's Guide and Instructor's Guide, has twelve modules and contains exercises, case studies, and other learning activities designed to help the new employee develop a sound basic knowledge of the SFH Direct Loan Program and the Section 504 Loan and Grant Program. The Guide also provides the employee with the opportunities to

EXPIRATION DATE:
May 31, 2005

FILING INSTRUCTIONS:
Housing Programs

develop and use their skills to search for information from various sources. This is a self-study guide that allows the employee's supervisor to participate and monitor progress. The New Employee Training Guide will provide uniformity to the training process. The employee's immediate supervisor is expected to develop a training schedule that is suitable to the employee's particular area of responsibility and is responsible for certifying the completion of the training. The completion of the New Employee Training Guide is required for all new field office employees as a part of their training program. Additionally, all employees with 2 years or less SFH work experience involved in the SFH loan program are required to complete the training.

The training guide is available on the Rural Development Intranet site in the RHS Document Library under the topic "Training Manual."

State Program Directors will set up an operational file to keep track of those who have been through the training to assure that the training requirements are met.

If you have questions, please contact Ethen Gillespie of the Single Family Housing Direct Loan Division at (202) 720-1482. You may also email him at ethen.gillespie@usda.gov.

June 22, 2004

SUBJECT: Interest Rates for Water and Waste Disposal
Loans, Watershed Protection and Flood
Prevention Loans, and Resource Conservation
and Development Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

Effective from July 1, 2004, through September 30, 2004, the interest rates for Water and Waste Disposal Loans are as follows:

Poverty Line...unchanged at.....4.500%
Intermediate....increased to.....4.750%
Market.....increased to.....5.000%

Also, the rate for Watershed Protection and Flood Prevention Loans and Resource Conservation and Development Loans is as follows:

CURRENT RATE	NEW RATE
4.375%	5.000%

Please notify appropriate personnel of these rates.

(Signed by Curtis Anderson) for

HILDA GAY LEGG
Administrator
Rural Utilities Service

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 06-23-04 at 8:50 a.m. by PAD.

June 23, 2004

SUBJECT: Interest Rates for Community Facilities

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

Effective from July 1, 2004, through September 30, 2004, the interest rates for direct community facility loans are as follows:

Poverty Line...unchanged at.....	4.500%
Intermediate...increased to.....	4.750%
Market.....increased to.....	5.000%

Please notify appropriate personnel of these rates.

(Signed by Shane Goettle) for

JAMES C. ALSOP
Acting Administrator
Rural Housing Service

Sent by Electronic Mail on 06-23-04 at 4:10 pm by PAD.

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

June 24, 2004

SUBJECT: Intermediary Relending Program
Empowerment Zones/Enterprise Communities/
Rural Economic Area Partnerships Earmark

TO: State Directors, Rural Development

ATTN: Business Programs Directors

These are the Fiscal Year 2004 funding cycle allocations for the Intermediary Relending Program (IRP) Empowerment Zones/Enterprise Communities/Rural Economic Area Partnerships (EZ/EC/REAP) Earmark. The priority points for each project are inclusive of any Administrator points that were awarded. The allocations are as follows:

<u>State</u>	<u>Project Name</u>	<u>Amount</u>	<u>Priority Points</u>
IL	County of Pulaski	\$ 700,000	141
OH	Southern Ohio Growth Partnership	\$ 750,000	139
VT	Northeast Vermont Development Association	\$ 500,000	60
	Total	\$1,950,000	

IRP EZ/EC/REAP earmark funds should be obligated through the Guaranteed Loan System (GLS). Please ensure that **type of assistance code 144** is used for the EZ/EC/REAP earmark to keep track of the use of these funds.

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Community/Business Programs

All requests received for this cycle were funded. This is the only round of funding for this earmark. Unused funds from this earmark will revert to the regular IRP reserve **on June 29, 2004.**

(Signed by William F. Hagy, III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

June 24, 2004

SUBJECT: Intermediary Relending Program
Native American Earmark

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is the Fiscal Year 2004 funding cycle allocation for the Intermediary Relending Program (IRP) Native American Earmark. The priority points for these projects are inclusive of any Administrator points that were awarded. The allocations are as follows:

<u>State</u>	<u>Project Name</u>	<u>Amount</u>	<u>Priority Points</u>
WI	Ho-Chunk Nation	\$ 750,000	177
AZ	San Carlos Apache Tribe	\$ 400,000	156
OK	Cherokee Nation	\$ 750,000	144
AZ	Gila River Indian Community	\$ 750,000	119
OK	Citizens Pottawatomi Nation	\$ 750,000	90
	Total	\$3,400,000	

IRP Native American earmarked funds should be obligated through the Guaranteed Loan System (GLS). Please ensure that **type of assistance code 316** is used for the Native American earmark to keep track of the use of these funds.

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTION:
Community/Business Programs

All requests received for this cycle were funded. This is the only round of funding for this earmark. Unused funds from this earmark will revert to the regular IRP reserve **on June 29, 2004.**

(Signed by William F. Hagy, III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

June 24, 2004

SUBJECT: Rural Economic Development Loan and Grant Program
Projects Funded for Third Quarter Funding
Fiscal Year 2004

TO: State Directors, Rural Development

ATTN: Business Programs Directors

The Rural Business-Cooperative Service (RBS) has announced loan and grant selections for the third quarter of fiscal year (FY) 2004 under the Rural Economic Development Loan and Grant (REDLG) Program. A listing of loan and grant awards is attached for your information.

During the third quarter of FY 2004, six loan applications totaling \$1,868,700 were considered by RBS for financing. These six zero-interest loans will be leveraged by \$13,485,634 of private and public financing and directly create 112 jobs in rural areas and help sustain 496 existing positions.

In addition, one grant, totaling \$200,000, to finance revolving loan fund program that will be operated by rural electric utilities was considered and selected for funding. The initial zero-interest loans from the revolving loan fund program, leveraged by \$438,536 in private and public financing, will be made to a for-profit entity to finance education and training facilities and community services. An estimated eight new jobs will be created as a result of the grant.

All seven applications submitted for third quarter funding were successful. Under the REDLG program, the National Office will consider a request for funding during four consecutive funding periods.

The deadline for receipt of new REDLG funding requests in the National Office for consideration during the FY 2004 fourth quarter funding period is **close of business July 30, 2004**.

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Community/Business Programs

If you have any questions, please contact Kenya Bradley Nicholas, Loan Specialist, SLD Processing Branch, (202) 720-1970.

(Signed by William F. Hagy, III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs

Attachment (2 pages)

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR LOAN FUNDS – 3rd QTR FY 2004**

Total Available FY 2004	\$ 14,914,169
Less 1 st and 2 nd Qtrs. FY 2004	<u>\$ 9,956,000</u>
Balance Remaining	\$ 4,958,169

State	Project	Priority Points	Loan Amount	REDL Number
KS##	Nemaha Marshal Electric Cooperative Assoc., Inc.	280	\$ 450,000	964
MN##	North Itasca Electric Cooperative, Inc.	247	\$ 450,000	965
KY	South Kentucky Rural Electric Cooperative Corp.	242	\$ 250,000	966
ND	Consolidated Telecom	239	\$ 396,700	967
KS	Bluestem Electric Cooperative, Inc.	232	\$ 70,000	968
KS	Butler Rural Electric Cooperative Assoc. Inc.	150	\$ 252,000	969

6 Loans	Total	\$1,868,700
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Balance of Loan Funds After Above Request:	\$3,089,469
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**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM
REQUEST FOR GRANT FUNDS –3rd QTR FY 2004**

Total Available FY 2004	\$ 10,000,000
Less 1 st and 2 nd Qtrs. FY 2004	<u>\$ 936,000</u>
Balance Remaining	\$ 9,064,000

State	Project	Priority Points	Loan Amount	REDG Number
GA	Okefenoke Rural Electric Membership Corporation	274	\$ 200,000	296
	1 Grant	Total	\$ 200,000	
Balance of Grant Funds After Above Request:			\$8,864,000	

June 25, 2004

SUBJECT: Interest Rate for Direct Business
and Industry Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

The following interest rate is in effect July 1, 2004, through September 30, 2004.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	4.000%	4.000%

Please notify appropriate personnel of this rate.

(Signed by William F. Hagy, III) for

PETER THOMAS
Acting Administrator
Rural Business-Cooperative Service

Sent by Electronic Mail on 06-25-04 at 2:25 am.m. by PAD.

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

June 25, 2004

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

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

ATTN: Rural Housing Program Director

The following interest rates, effective July 1, 2004, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
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ALL LOAN TYPES

Treasury Judgement Rate	1.550%	1.820%
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The current rate shown above is as of the week ending May 28, 2004. The actual judgement 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 web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Low or Moderate	5.875	6.375
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EXPIRATION DATE:
July 31, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	6.375	6.875
Rural Housing Site (RH-524), Non-Self-Help	5.875	6.375
Rural Rental Housing and Rural Cooperative Housing	5.875	6.375

Please notify appropriate personnel of these rates.

(Signed by James C. Alsop)

JAMES C. ALSOP
Acting Administrator
Rural Housing Service

Sent by Electronic Mail on 06-25-04 at 2:00 p.m. by PAD.