

§ 3565.503

who had knowledge of the fraud or misrepresentation at the time such a lender acquired the guarantee or was assigned the loan.

§ 3565.503 Repurchase.

Lenders and security Holders must comply with Ginnie Mae requirements regarding the repurchase of loans from pools backing Ginnie Mae guaranteed securities.

§ 3565.504 Transfers.

(a) Loans and/or mortgage servicing on loans backing Ginnie Mae guaranteed securities may only be transferred to a Ginnie Mae issuer and may only be transferred with prior Ginnie Mae approval.

(b) Agency approval shall not be required for transfer of the servicing on the guaranteed mortgages to Ginnie Mae.

§ 3565.505 Liability.

(a) Ginnie Mae shall not be liable for the actions of the lender including, but not limited to, negligence, fraud, abuse, misrepresentation or misuse of funds, property condition, or violations of usury laws.

(b) Ginnie Mae's rights under the guarantee shall be fully enforceable notwithstanding the actions of the lender.

§§ 3565.506–3565.549 [Reserved]

§ 3565.550 OMB control number.

According to the Paperwork Reduction Act of 1995, no party is required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575–0174.

PART 3570—COMMUNITY PROGRAMS

Subpart A [Reserved]

Subpart B—Community Facilities Grant Program

- Sec.
- 3570.51 General.
- 3570.52 Purpose.
- 3570.53 Definitions.
- 3570.54–3570.60 [Reserved]

7 CFR Ch. XXXV (1–1–25 Edition)

- 3570.61 Eligibility for grant assistance.
- 3570.62 Use of grant funds.
- 3570.63 Grant limitations.
- 3570.64 Applications determined ineligible.
- 3570.65 Processing preapplications and applications.
- 3570.66 Determining the maximum grant assistance.
- 3570.67 Project selection priorities.
- 3570.68 Selection process.
- 3570.69 Environmental review requirements, intergovernmental review, and public notification.
- 3570.70 Other considerations.
- 3570.71 Strategic economic and community development.
- 3570.72–3570.74 [Reserved]
- 3570.75 Grantee contracts.
- 3570.76 Planning, bidding, contracting, and construction.
- 3570.77–3570.79 [Reserved]
- 3570.80 Grant closing and delivery of funds.
- 3570.81–3570.82 [Reserved]
- 3570.83 Audits.
- 3570.84 Grant servicing.
- 3570.85 Programmatic changes.
- 3570.86 [Reserved]
- 3570.87 Grant suspension, termination, and cancellation.
- 3570.88 Management assistance.
- 3570.89 [Reserved]
- 3570.90 Exception authority.
- 3570.91 Regulations.
- 3570.92 Grant agreement.
- 3570.93 Regional Commission grants.
- 3570.94–3570.99 [Reserved]
- 3570.100 OMB control number.

Subparts C–E [Reserved]

Subpart F—Community Facilities Technical Assistance and Training Grants

- 3570.251 Purpose.
- 3570.252 Definitions and abbreviations.
- 3570.253 Compliance with Federal and State requirements.
- 3570.254 Source of funds.
- 3570.255 Matching funds.
- 3570.256 Allocation of funds.
- 3570.257 Statute and regulation references.
- 3570.258–3570.260 [Reserved]
- 3570.261 Environmental and intergovernmental review.
- 3570.262 Applicant eligibility requirements.
- 3570.263 Eligible project purposes.
- 3570.264 Ineligible project purposes.
- 3570.265–3570.266 [Reserved]
- 3570.267 Applications.
- 3570.268–3570.271 [Reserved]
- 3570.272 Grant processing.
- 3570.273 Scoring.
- 3570.274 Fund disbursement.
- 3570.275 Grant cancellation or major changes.
- 3570.276 Reporting.
- 3570.277 Audit or financial statement.

Rural Housing Service, USDA

§ 3570.51

3570.278–3570.280 [Reserved]
3570.281 Grant servicing.
3570.282 [Reserved]
3570.283 Exception authority.
3570.284 Review or appeal rights.
3570.285–3570.299 [Reserved]
3570.300 OMB control number.

AUTHORITY: 5 U.S.C. 301; 7 U.S.C. 1989.

SOURCE: 62 FR 16469, Apr. 7, 1997, unless otherwise noted.

Subpart A [Reserved]

Subpart B—Community Facilities Grant Program

SOURCE: 64 FR 32388, June 17, 1999, unless otherwise noted.

§ 3570.51 General.

(a) This subpart contains Rural Housing Service (RHS) policies and authorizations and establishes procedures for making essential Community Facilities Grants (CFG) authorized under section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)).

(b) Funds allocated for use in accordance with this subpart are also to be considered for use by federally recognized Indian tribes within a State regardless of whether State development strategies include Indian reservations within the State's boundaries. Indian tribes must have equal opportunity along with other rural residents to participate in the benefits of this program.

(c) Federal statutes provide for extending RHS financial assistance without regard to race, color, religion, sex, national origin, age, disability, and marital or familial status. To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington DC 20250, or call 1-800-245-6340 (voice) or (202) 730-1127 (TDD). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

(d) Any processing or servicing activity conducted pursuant to this subpart involving authorized assistance to Agency employees, members of their families, close relatives, or business or close personal associates is subject to

the provisions of 7 CFR part 1900, subpart D. Applications for assistance are required to identify any relationship or association with an RHS employee.

(e) Copies of all forms referenced in this subpart are available in the Agency's National Office or any Rural Development field office.

(f) An outstanding judgment obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), shall cause the applicant to be ineligible to receive any grant or loan until the judgment is paid in full or otherwise satisfied. Grant funds may not be used to satisfy the judgment.

(g) Grants made under this subpart will be administered under, and are subject to, 2 CFR part 200 as adopted by USDA through 2 CFR part 400, as appropriate.

(h) The income data used to determine median household income must be that which accurately reflects the income of the population to be served by the proposed facility. The median household income of the service area and the nonmetropolitan median household income for the State will be determined using 5-year income data from the American Community Survey (ACS) or, if needed, other Census Bureau data. If there is reason to believe that the ACS or other Census Bureau data does not accurately represent the median household income within the area to be served, this will be documented and the applicant may furnish, or RD may obtain, additional information regarding such median household income data. Information must consist of reliable data from local, regional, State, or Federal sources or from a survey conducted by a reliable impartial source.

(i) CFG funds can be used for up to 75 percent of the cost to develop the facility, notwithstanding that other contributions may be from other Federal sources.

(j) The Office of Management and Budget (OMB) issued guidance on Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200. In 2 CFR part 400.1, the Department adopted OMB's guidance in subparts A through F of 2 CFR part 200,

§ 3570.52

as supplemented by 2 CFR part 400, as the Department's policies and procedures for uniform administrative requirements, cost principles, and audit requirements for federal awards. As a result, this regulation contains references to 2 CFR part 200 as it has regulatory effect for the Department's programs and activities.

[64 FR 32388, June 17, 1999, as amended at 79 FR 76012, Dec. 19, 2014; 80 FR 9912, Feb. 24, 2015; 89 FR 96860, Dec. 6, 2024]

§ 3570.52 Purpose.

The purpose of CFG program is to assist in the development of essential community facilities in rural areas. The Agency will authorize grant funds on a graduated basis. Eligible applicants located in smaller communities with lower populations and lower median household incomes may receive a higher percentage of grant funds. The amount of CFG funds provided for a facility shall not exceed 75 percent of the cost of developing the facility.

§ 3570.53 Definitions.

Agency. The Rural Housing Service (RHS), an agency of the U.S. Department of Agriculture, or a successor agency.

Approval official. An official who has been delegated loan or grant approval authorities within applicable programs, subject to certain dollar limitations.

CF. Community Facilities.

CFG. Community Facilities Grant.

Essential community facilities. Those public improvements requisite to the beneficial and orderly development of a community that is operated on a non-profit basis. (See §3570.62(a)(1)). An essential community facility must:

- (1) Serve a function customarily provided by a local unit of government;
- (2) Be a public improvement needed for the orderly development of a rural community;
- (3) Not include private affairs or commercial or business undertakings (except for limited authority for industrial parks) unless it is a minor part of the total facility;
- (4) Be within the area of jurisdiction or operation for the public bodies eligible to receive assistance or a similar

7 CFR Ch. XXXV (1–1–25 Edition)

local rural service area of a not-for-profit corporation; and

- (5) Be located in a rural area.

Facility. The physical structure financed by the Agency or the resulting service provided to rural residents.

Grantee. An entity with whom the Agency has entered into a grant agreement under this program.

Instructions. Agency internal procedures available in any Rural Development office and variously referred to as Rural Development Instructions, RD Instructions.

Minor part. No more than 15 percent of the total floor space of the proposed facility.

Nonprofit corporations. Any corporation that is not organized or maintained for the making of a profit and that meets the eligibility requirements for RHS financial assistance in accordance with §3570.61(a)(2).

Processing office. The office designated by the State program official to accept and process applications for CF projects.

Project cost. The cost of completing the proposed facility. (Facilities previously constructed will not be considered in determining project costs.) Total project cost will include only those costs eligible for CFG assistance.

Poverty line. The level of income for a family of four as defined by section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

Public body. Any State, county, city, township, incorporated town or village, borough, authority, district, economic development authority, or federally recognized Indian tribe in rural areas.

Reasonable rates and terms. The rates and terms customarily charged public and nonprofit type borrowers in similar circumstances in the ordinary course of business and subject to Agency review.

RHS. The Rural Housing Service, an agency of the United States Department of Agriculture, or a successor agency.

Rural and rural area. The terms "rural" and "rural area" mean a city, town, or unincorporated area that has a population of 20,000 inhabitants or less and which excludes certain populations pursuant to 7 U.S.C. 1991(a)(13)(H) and (I). The population

Rural Housing Service, USDA

§ 3570.61

figures are obtained from the most recent decennial Census of the United States (decennial Census).

Rural Development. A mission area within USDA which includes Rural Housing Service, Rural Utilities Service, and Rural Business-Cooperative Service.

RUS. The Rural Utilities Service, an agency of USDA or a successor agency.

Service area. The area reasonably expected to be served by the facility.

State. The term “State” means each of the 50 States, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia.

State Director. The term “State Director” means, with respect to a State, the Director of the Rural Development State Office.

State nonmetropolitan median household income. The median household income of the State’s nonmetropolitan counties and portions of metropolitan counties outside of cities, towns or places of 50,000 or more population.

State strategic plan. A plan developed by each State for Rural Development initiatives and the type of assistance required. Plans shall identify goals, methods, and benchmarks for measuring success.

[64 FR 32388, June 17, 1999, as amended at 69 FR 65519, Nov. 15, 2004; 80 FR 9912, Feb. 24, 2015; 87 FR 38644, June 29, 2022]

§§ 3570.54–3570.60 [Reserved]

§ 3570.61 Eligibility for grant assistance.

The essential community facility must primarily serve rural areas, be located in a rural area, and the median household income of the population to be served by the proposed facility must be below the higher of the poverty line or the eligible percentage (60, 70, 80, or 90) of the State nonmetropolitan median household income (see § 3570.63(b)).

(a) *Eligible applicant.* An applicant must be a:

(1) Public body, such as a municipality, county, district, authority, or other political subdivision of a State;

(2) Nonprofit corporation or association. Applicants, other than nonprofit utility applicants, must have significant ties with the local rural community. Such ties are necessary to ensure to the greatest extent possible that a facility under private control will carry out a public purpose and continue to primarily serve rural areas. Ties may be evidenced by items such as:

(i) Association with, or controlled by, a local public body or bodies, or broadly based ownership and control by members of the community; or

(ii) Substantial public funding through taxes, revenue bonds, or other local government sources or substantial voluntary community funding, such as would be obtained through a community-wide funding campaign.

(3) Federally recognized Indian tribe in a rural area.

(b) *Eligible facilities.* Essential community facilities must be:

(1) Located in rural areas, except for utility-type services, such as telecommunications or hydroelectric, serving both rural and non-rural areas. In such cases, RHS funds may be used to finance only that portion serving rural areas, regardless of facility location.

(2) Necessary for orderly community development and consistent with the State Strategic Plan.

(c) *Credit elsewhere.* The approval official must determine that the applicant is unable to finance the proposed project from its own resources, or through commercial credit at reasonable rates and terms, or other funding sources without grant assistance under this subpart. The applicant must certify to such status in writing.

(d) *Economic feasibility.* All projects financed under the provisions of this section must be based on satisfactory sources of revenues as outlined in 7 CFR 1942.17(h) and 1942.116. The amount of CFG assistance must be the minimum amount sufficient for feasibility which will provide for facility operation and maintenance, reasonable reserves, and debt repayment. The applicant’s available excess funds must be used to supplement eligible project costs.

§ 3570.62

7 CFR Ch. XXXV (1-1-25 Edition)

(e) *Legal authority and responsibility.* Each applicant must have, or will obtain, prior to the grant award, the legal authority necessary to own, construct, operate, and maintain the proposed facility. The applicant shall be responsible for operating, maintaining, and managing the facility and providing for its continued availability and use at reasonable rates and terms. This responsibility shall be the applicant's even though the facility may be operated, maintained, or managed by a third party under contract or management agreement. If an applicant does not have the authority to borrow funds, but owns, operates, and maintains the facility, the applicant is eligible for CFG funds.

(f) *Facilities for public use.* All facilities shall be for the benefit of the public at large without discrimination as to race, color, religion, sex, national origin, disability, and marital or familial status.

§ 3570.62 Use of grant funds.

Grants of up to 75 percent of the cost of developing essential community facilities may be used to supplement financial assistance authorized in accordance with 7 CFR parts 1942, subparts A and C, and 3575, subpart A. Eligible CFG purposes are those listed in paragraphs (a), (b), (c), and (d) of this section. Funding for the balance of the project may consist of other CF financial assistance, applicant contributions, or loans and grants from other sources. CFGs may be used to:

(a) Construct, enlarge, extend, or otherwise improve essential community facilities providing essential service primarily to rural residents and rural businesses. Rural businesses include facilities such as educational and other publicly owned facilities.

(1) "Essential community facilities" are those public improvements requisite to the beneficial and orderly development of a community operated on a nonprofit basis including, but not limited to:

- (i) Fire, rescue, and public safety;
- (ii) Health services;
- (iii) Community, social, or cultural services;
- (iv) Transportation facilities such as streets, roads, and bridges;

(v) Hydroelectric generating facilities and related connecting systems and appurtenances, when not eligible for RUS financing;

(vi) Telecommunications equipment as it relates to medical and educational telecommunications links;

(vii) Supplemental and supporting structures for other rural electrification or telephone systems (including facilities such as headquarters and office buildings, storage facilities, and maintenance shops) when not eligible for RUS financing;

(viii) Natural gas distribution systems; and

(ix) Industrial park sites, but only to the extent of land acquisition and necessary site preparation, including access ways and utility extensions to and throughout the site. Funds may not be used in connection with industrial parks to finance on-site utility systems, or business and industrial buildings.

(2) "Otherwise improve" includes, but is not limited to, the following:

(i) The purchase of major equipment (such as solid waste collection trucks, telecommunication equipment, necessary maintenance equipment, fire service equipment, X-ray machines) which will in themselves provide an essential service to rural residents; and

(ii) The purchase of existing facilities when it is necessary either to improve or to prevent a loss of service.

(iii) A borrower is permitted to use up to 10 percent of the amount provided under this subpart to construct, improve, or acquire broadband infrastructure related to the project financed, subject to the requirements of 7 CFR part 1980, subpart M.

(b) Construct or relocate public buildings, roads, bridges, fences, or utilities and to make other public improvements necessary to the successful operation or protection of facilities authorized in paragraph (a) of this section.

(c) Relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary to the successful operation or protection of facilities authorized in paragraph (a) of this section.

Rural Housing Service, USDA

§ 3570.63

(d) Pay the following expenses, but only when such expenses are a necessary part of a project to finance facilities authorized in paragraphs (a), (b), and (c) of this section:

(1) Reasonable fees and costs such as legal, engineering, architectural, fiscal advisory, recording, environmental impact analyses, archeological surveys and possible salvage or other mitigation measures, planning, establishing or acquiring rights.

(2) Costs of acquiring interest in land; rights, such as water rights, leases, permits, and rights-of-way; and other evidence of land or water control necessary for development of the facility.

(3) Purchasing or renting equipment necessary to install, maintain, extend, protect, operate, or utilize facilities.

(4) Obligations for construction incurred before grant approval. Construction work should not be started and obligations for such work or materials should not be incurred before the grant is approved. However, if there are compelling reasons for proceeding with construction before grant approval, applicants may request Agency approval to pay such obligations. Such requests may be approved if the Agency determines that:

(i) Compelling reasons exist for incurring obligations before grant approval;

(ii) The obligations will be incurred for authorized grant purposes;

(iii) Contract documents have been approved by the Agency;

(iv) All environmental requirements applicable to the Agency and the applicant have been met; and

(v) The applicant has the legal authority to incur the obligations at the time proposed, and payment of the debts will remove any basis for any mechanic's, material, or other liens that may attach to the security property.

The Agency may authorize payment of such obligations at the time of grant closing. The Agency's authorization to pay such obligations, however, is on the condition that it is not committed to make the grant; it assumes no responsibility for any obligations incurred by the applicant; and the applicant must subsequently meet all grant approval requirements. The applicant's

request and the Agency's authorization for paying such obligations shall be in writing.

[64 FR 32388, June 17, 1999, as amended at 85 FR 57084, Sept. 15, 2020]

§ 3570.63 Grant limitations.

(a) Grant funds may not be used to:

(1) Pay initial operating expenses or annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses (unless a CF loan is part of the funding package);

(2) Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale;

(3) Refinance existing indebtedness;

(4) Pay interest;

(5) Pay for facilities located in nonrural areas, except as noted in § 3570.61(b)(1).

(6) Pay any costs of a project when the median household income of the population to be served by the proposed facility is above the higher of the poverty line or eligible percent (60, 70, 80, or 90) of the State nonmetropolitan median household income (see § 3570.63(b));

(7) Pay project costs when other loan funding for the project is not at reasonable rates and terms;

(8) Pay an amount greater than 75 percent of the cost to develop the facility;

(9) Pay costs to construct facilities to be used for commercial rental unless it is a minor part of the total facility;

(10) Construct facilities primarily for the purpose of housing State, Federal, or quasi-Federal agencies; and

(11) Pay for any purposes restricted by 7 CFR 1942.17(d)(2).

(b) Grant assistance will be provided on a graduated scale with smaller communities with the lowest median household incomes being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs:

(1) 75 percent when the proposed project is:

(i) Located in a rural community having a population of 5,000 or less; and

§ 3570.64

(ii) The median household income of the population to be served by the proposed facility is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.

(2) 55 percent when the proposed project is:

(i) Located in a rural community having a population of 12,000 or less; and

(ii) The median household income of the population to be served by the proposed facility is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.

(3) 35 percent when the proposed project is:

(i) Located in a rural community having a population of 20,000 or less; and

(ii) The median household income of the population to be served by the proposed facility is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.

(4) 15 percent when the proposed project is:

(i) Located in a rural community having a population of 50,000 or less; and

(ii) The median household income of the population to be served by the proposed facility is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income.

(5) 60 percent when the proposed project is:

(i) Located in a rural community having a population of 20,000 or less; and

(ii) The median household income of the population to be served by the proposed facility is below the higher of the poverty line or 90 percent of the State non-metropolitan median household income. The 60 percent grants are only available to communities impacted by a disaster that has resulted in a loss of 60 percent of the community's population and is located in a rural community designated as a major disaster area by the President.

(6) Grant assistance cannot exceed the higher of the applicable percentages contained in this section which

7 CFR Ch. XXXV (1-1-25 Edition)

the applicant is eligible to receive and may be further limited due to availability of funds or by the maximum grant assistance allowable determined in accordance with § 3570.66.

[64 FR 32388, June 17, 1999, as amended at 73 FR 14173, Mar. 17, 2008]

§ 3570.64 Applications determined ineligible.

If, at any time, an application is determined ineligible, the processing office will notify the applicant in writing of the reasons. The applicant will be advised that it may appeal the decision. (See 7 CFR part 11.)

§ 3570.65 Processing preapplications and applications.

For combination proposals for loan and grant funds, only one preapplication package and one application package should be prepared and submitted. Preapplications and applications for grants will be developed in accordance with applicable portions of 7 CFR 1942.2, 1942.104, and 3575.52.

(a) *Preapplications.* Applicants will file an original and one copy of "Application for Federal Assistance (For Construction)," with the appropriate Agency office. This form is available in all Agency offices. The preapplication and supporting documentation are used to determine applicant eligibility and priority for funding.

(1) All preapplications shall be accompanied by:

(i) Evidence of applicant's legal existence and authority; and

(ii) Appropriate clearinghouse agency comments.

(b) *Application processing.* Upon notification on "Notice of Preapplication Review Action" that the applicant is eligible for CFG funding, the applicant will be provided forms and instructions for filing a complete application. The forms required for a complete application, including the following, will be submitted to the processing office by the applicant:

(1) Updated "Application for Federal Assistance (For Construction)."

(2) Financial feasibility report.

(c) *Discontinuing the processing of the application.* If the applicant fails to submit the application and related material by the date shown on "Notice of

Rural Housing Service, USDA

§ 3570.68

Preapplication Review Action” (normally 60 days from the date of this form), the Agency will discontinue consideration of the application.

§ 3570.66 Determining the maximum grant assistance.

(a) *Responsibility.* State Directors are responsible for determining the applicant’s eligibility for grant assistance.

(b) *Maximum grant assistance.* Grant assistance cannot exceed the lower of:

(1) Qualifying percentage of eligible project cost determined in accordance with § 3570.63(b);

(2) Minimum amount sufficient to provide for economic feasibility as determined in accordance with § 3570.61(d); or

(3) Either 50 percent of the annual State allocation or \$50,000, whichever is greater, unless an exception is made by the RHS Administrator in accordance with § 3570.90.

§ 3570.67 Project selection priorities.

Applications are scored on a priority basis. Points will be distributed as follows:

(a) *Population priorities.* The proposed project is located in a rural community having a population of:

(1) 5,000 or less—30 points;

(2) Between 5,001 and 12,000, inclusive—20 points;

(3) Between 12,001 and 20,000, inclusive—10 points; or

(4) Between 20,001 and 50,000, inclusive, when applicable—5 points.

(b) *Income priorities.* The median household income of the population to be served by the proposed project is below the higher of the poverty line or:

(1) 60 percent of the State nonmetropolitan median household income—30 points;

(2) 70 percent of the State nonmetropolitan median household income—20 points;

(3) 80 percent of the State nonmetropolitan median household income—10 points; or

(4) 90 percent of the State nonmetropolitan median household income—5 points.

(c) *Other priorities.* Points will be assigned for one or more of the following initiatives:

(1) Project is consistent with, and is reflected in, the State Strategic Plan—10 points;

(2) Project is for health care—10 points; or

(3) Project is for public safety—10 points.

(d) *Discretionary.* (1) The State Director may assign up to 15 points to a project in addition to those that may be scored under paragraphs (a) through (c) of this section. These points are to address unforeseen exigencies or emergencies, such as the loss of a community facility due to an accident or natural disaster or the loss of joint financing if Agency funds are not committed in a timely fashion. In addition, the points will be awarded to projects benefiting from the leveraging of funds in order to improve compatibility and coordination between the Agency and other agencies’ selection systems and for those projects that are the most cost effective.

(2) In selecting projects for funding at the National Office level, additional points will be awarded based on the priority assigned to the project by the State Office. These points will be awarded in the manner shown below. Only the three highest priority projects for a State will be awarded points. The Administrator may assign up to 30 additional points to account for geographic distribution of funds, emergency conditions caused by economic problems, natural disasters, or leveraging of funds.

Priority	Points
1	5
2	3
3	1

§ 3570.68 Selection process.

Each request for grant assistance will be carefully scored and prioritized to determine which projects should be selected for further development and funding.

(a) *Selection of applications for further processing.* The approval official will, subject to paragraph (b) of this section, authorize grants for those eligible preapplications with the highest priority score. When selecting projects, the following circumstances must be considered:

§ 3570.69

(1) Scoring of project and scores of other applications on hand;

(2) Funds available in the State allocation; and

(3) If other Community Facilities financial assistance is needed for the project, the availability of other funding sources.

(b) *Lower scoring projects.* (1) In cases when preliminary cost estimates indicate that an eligible, high-scoring application is not feasible, or would require grant assistance exceeding 50 percent of a State's current annual allocation, or an amount greater than that remaining in the State's allocation, the approval official may instead select the next lower-scoring application for further processing provided the high-scoring applicant is notified of this action and given an opportunity to review the proposal and resubmit it prior to selection of the next application.

(2) If it is found that there is no effective way to reduce costs, the approval official, after consultation with the applicant, may request an additional allocation of funds from the National office.

§ 3570.69 Environmental review requirements, intergovernmental review, and public notification.

Grants awarded under this subpart, including grant-only awards, must be in compliance with the environmental review requirements in accordance with 7 CFR part 1970, to the intergovernmental review requirements of 7 CFR 3015, subpart V and RD Instruction 1970-I, "Intergovernmental Review," and the public information process in 7 CFR 1942.17(j)(9).

[81 FR 11050, Mar. 2, 2016]

§ 3570.70 Other considerations.

Each application must contain the comments, necessary certifications, and recommendations of appropriate Federal or State regulatory or other agency or institution having expertise in the planning, operation, and management of similar facilities as required by 7 CFR parts 1942, subparts A and C, and 3575, subpart A. Proposals for facilities financed in whole or in part with Agency funds will be coordinated with appropriate Federal, State,

7 CFR Ch. XXXV (1-1-25 Edition)

and local agencies as required by the following:

(a) Grants under this subpart are subject to the provisions of 7 CFR 1942.17(k) which include title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, Americans with Disability Act of 1990, and the regulations issued thereto. Certain housing-related projects, such as nursing homes, group homes, or assisted-living facilities, must comply with the requirements of the Fair Housing Act.

(b) Governmentwide debarment and suspension (nonprocurement) and requirements for drug-free workplace are applicable to CFG grants and grantees. See 2 CFR part 180, as implemented by USDA through 2 CFR part 417, and RD Instruction 1940-M for further guidance.

(c) Restrictions on lobbying. Grantees must comply with the lobbying restrictions set forth in 2 CFR part 418 subpart A.

(d) Civil Rights Impact Analysis, RD Instruction 2006-P (available in any Rural Development office), and "Civil Rights Impact Analysis Certification."

[62 FR 16469, Apr. 7, 1997, as amended at 79 FR 76013, Dec. 19, 2014]

§ 3570.71 Strategic economic and community development.

Applicants with projects that support the implementation of Strategic Community Investment Plans are encouraged to review and consider 7 CFR part 1980, subpart K, which contains provisions for providing priority to projects that support the implementation of Strategic Community Investment Plans on a multi-jurisdictional and multi-sectoral basis.

[85 FR 59395, Sept. 22, 2020]

§§ 3570.72-3570.74 [Reserved]

§ 3570.75 Grantee contracts.

The requirements of 7 CFR 1942.4, 1942.17(e), 1942.17(l), 1942.118, and 1942.119 will be applicable when agreements between grantees and third parties are involved.

Rural Housing Service, USDA

§ 3570.87

§ 3570.76 Planning, bidding, contracting, and construction.

Planning, bidding, contracting, and construction will be handled in accordance with 7 CFR 1942.9, 1942.18, and 1942.126.

§§ 3570.77–3570.79 [Reserved]

§ 3570.80 Grant closing and delivery of funds.

(a) “Community Facilities Grant Agreement” will be used as the grant agreement between the Agency and the grantee and will be signed by the grantee before grant funds are advanced.

(b) Approval officials may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal grant funds and that use and disposition conditions apply to the property as provided by 2 CFR part 200, as subsequently modified.

(c) Approval officials may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal grant funds and that use and disposition conditions apply to the property as provided by 2 CFR part 200 as adopted by USDA through 2 CFR part 400 as subsequently modified.

(d) Grant funds will not be disbursed until they are actually needed by the recipient and all borrower or other funds are expended, except when:

(1) Interim financing of the total estimated amount of loan funds needed during construction is arranged,

(2) All interim funds have been disbursed, and

(3) Agency grant funds are needed before RHS or other loans can be closed.

(e) If grant funds are available from other agencies and are transferred for disbursement by RHS, these grant funds will be disbursed in accordance with the agreement governing such other agencies’ participation in the project.

[62 FR 16469, Apr. 7, 1997, as amended at 79 FR 76013, Dec. 19, 2014; 89 FR 96860, Dec. 6, 2024]

§§ 3570.81–3570.82 [Reserved]

§ 3570.83 Audits.

(a) An audit will be conducted in accordance with 2 CFR part 200 subpart F, as adopted by USDA through 2 CFR part 400, except as provided in this section. The audit requirements apply only to the years in which grant funds are expended.

(b) Grantees who are not required to submit an audit report will, within 60 days following the end of the fiscal year in which any grant funds were expended, furnish RHS with annual financial statements, consisting of a verification of the organization’s balance sheet and statement of income and expense report signed by an appropriate official of the organization or other documentation as determined appropriate by the approval official.

[62 FR 16469, Apr. 7, 1997, as amended at 79 FR 76013, Dec. 19, 2014]

§ 3570.84 Grant servicing.

Grants will be serviced in accordance with RD Instructions 1951–E and 1951–O and 2 CFR part 200 as applicable.

[79 FR 76013, Dec. 19, 2014]

§ 3570.85 Programmatic changes.

The grantee shall obtain prior Agency approval for any change to the objectives of the approved project. (For construction projects, a material change in approved space utilization or functional layout shall be considered such a change.) Failure to obtain prior approval of changes to the approved project or budget may result in suspension, refund, or termination of grant funds.

§ 3570.86 [Reserved]

§ 3570.87 Grant suspension, termination, and cancellation.

Grants may be suspended or terminated for cause or convenience in accordance with 2 CFR part 200 as adopted by USDA through 2 CFR part 400, as applicable.

[79 FR 76013, Dec. 19, 2014]

§ 3570.88

7 CFR Ch. XXXV (1–1–25 Edition)

§ 3570.88 Management assistance.

Grant recipients will be supervised to the extent necessary to ensure that facilities are constructed in accordance with approved plans and specifications and to ensure that funds are expended for approved purposes.

§ 3570.89 [Reserved]

§ 3570.90 Exception authority.

An RHS official may request, and the Administrator or designee may make, in individual cases, an exception to any requirement or provision of this subpart or address any omission of this subpart if the Administrator determines that application of the requirement or provision, or failure to take action in the case of an omission, would adversely affect the Government's interest.

§ 3570.91 Regulations.

Grants under this part will be in accordance with 2 CFR part 200 as adopted by USDA through 2 CFR part 400, as applicable, and any conflicts between those parts and this part will be resolved in favor of applicable 2 CFR part 200 as adopted by USDA through 2 CFR part 400.

[79 FR 76013, Dec. 19, 2014]

§ 3570.92 Grant agreement.

Form RD 3570-3 is a Grant Agreement which contains the procedures for making and servicing grants made under this part. Any property acquired or improved with CFG funds may have use and disposition conditions which apply to the property as provided by 2 CFR 200 as adopted by USDA through 2 CFR part 400 in effect at this time and as may be subsequently modified.

[79 FR 76013, Dec. 19, 2014]

§ 3570.93 Regional Commission grants.

(a) Grants are sometimes made by Federal Regional Commissions (designated under Title V of the Public Works and Economic Development Act of 1965) for projects eligible for RHS assistance. RHS has agreed to administer such funds in a manner similar to administering RHS assistance.

(b) The transfer of funds from a Federal Regional Commission to RHS will

be based on specific applications determined to be eligible for an authorized purpose in accordance with the requirements of RHS and the Federal Regional Commission.

(c) The Appalachian Regional Commission (ARC) is authorized under the Appalachian Regional Development Act of 1965 to serve the Appalachian region. ARC grants are handled in accordance with the ARC Agreement which applies to all ARC grants administered by Rural Development. Therefore, a separate Project Management Agreement between RHS and ARC is not needed for each ARC grant.

(d) Grants by other Federal Regional Commissions are handled in accordance with a separate Project Management Agreement between the respective Federal Regional Commission and RHS for each Commission grant or class of grants administered by RHS.

(e) When the Agency has funds in the project, no charge will be made for administering Federal Regional Commission grant funds.

(f) When RHS has no loan or grant funds in the project, an administrative charge will be made pursuant to the Economy Act (31 U.S.C. 1535).

§§ 3570.94–3570.99 [Reserved]

§ 3570.100 OMB control number.

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 0575–0173. You are not required to respond to this collection of information unless it displays a valid OMB control number.

Subparts C–E [Reserved]

Subpart F—Community Facilities Technical Assistance and Training Grants

SOURCE: 81 FR 1866, Jan. 14, 2016, unless otherwise noted.

§ 3570.251 Purpose.

This subpart contains the provisions and procedures by which the Agency

will administer the Essential Community Facilities Technical Assistance and Training Program. The purpose of the program is to provide technical assistance and training with respect to essential community facilities programs. To meet this purpose, the Agency will make grants to public bodies and private nonprofit corporations, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) to provide associations Technical Assistance and/or training with respect to essential community facilities programs. The Technical Assistance and/or training will assist communities, Indian Tribes, and Non-profit Corporations to identify and plan for community facility needs that exist in their area. Once those needs have been identified, the Grantee can assist in identifying public and private resources to finance those identified community facility needs.

§ 3570.252 Definitions and abbreviations.

The definitions and abbreviations in § 3570.53 apply to this subpart unless otherwise provided. In addition, these definitions and abbreviations are used in this subpart:

Actual capacity. The demonstrated ability of the Technical Assistance Provider to develop the capacity of Ultimate Recipients in the areas of developing applications for the Community Facilities program, improving the management capabilities of their community facilities, and providing training.

Administrator. The Administrator of the Rural Housing Service (RHS).

Applicant. Public bodies and private nonprofit corporations, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that has applied for, or intends to apply for, a Technical Assistance and Training Grant under this subpart. The applicant must be either a Technical Assistance Provider or an Ultimate Recipient.

Audit. An examination of an organization's financial Statements by an

independent Certified Public Accountant (CPA), for the purpose of expressing an opinion on the fairness with which the Statements present the financial position, results of operations, and changes in cash flows in conformity with Generally Accepted Accounting Principles (GAAP) and for determining whether the Applicant or Ultimate Recipient of Federal government funding has complied with the applicable laws, regulations, and contract for those events reflected in the financial Statements. All audits must meet the requirements of 2 CFR 200.500–200.518.

Community ties. The significant ties to the Rural Area that need to be demonstrated by a Nonprofit corporation who is an Ultimate Recipient, by either substantial public funding through taxes, revenue bonds or other local Government sources, and/or substantial voluntary community funding; and, a broadly-based ownership and control by members of the community. It can also be demonstrated by local membership and control characteristics.

CONACT. The Consolidated Farm and Rural Development Act (7 U.S.C. 1926 *et seq.*).

Conflict of interest. A situation in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially. Regarding use of both grant and matching funds, Federal procurement standards prohibit transactions that involve a real or apparent conflict of interest for owners, employees, officers, agents, or their immediate family members having a financial or other interest in the outcome of the Project; or that restrict open and free competition for unrestrained trade. Specifically, Project funds may not be used for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest, including, but not limited to, owner(s) and their immediate family members. An example of Conflict of Interest occurs when the Grantee's employees, board of directors, or the immediate family of either, have the appearance of a professional or personal financial interest in

§ 3570.253

7 CFR Ch. XXXV (1-1-25 Edition)

the Applicant receiving the benefits or services of the grant.

Generally Accepted Accounting Principles (GAAP). A widely accepted set of rules, conventions, standards and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

Indian Tribe. Any Indian Tribe, band, nation, or other organized group or community, including Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) [43 U.S.C. 1601 *et seq.*], which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Jurisdiction. A unit of government or other entity with similar powers. Examples include, but are not limited to: City, county, district, special purpose district, township, town, borough, village, and State.

Letter of Conditions. A legal document presented to the Applicant selected for funding that outlines all conditions that must be agreed to and accepted before final grant approval.

Low income. A median household income (MHI) that does not exceed the State Non-Metropolitan Median Household Income (SNMHI) or the Poverty Line, whichever is higher.

Multi-jurisdictional. Concerning two or more Jurisdictions.

Professional services. Services provided by a person or entity having specialized knowledge and skills to plan, design, prepare procurement, construction, or other technical support documents, administer construction contracts, and/or other related services for a Project.

Project. The Technical Assistance that an Applicant is currently planning as described in the Project description in the application, to be financed in whole or in part with Agency assistance.

Secretary. The Secretary of Agriculture.

Technical Assistance. A function such as supervision, oversight, training, or professional consultation related to an Essential Community Facility that is performed for the benefit of an Ultimate

Recipient or proposed Ultimate Recipient, which is a problem solving activity, as determined by the Agency.

Technical Assistance Provider. Grantee who will provide technical assistance to Ultimate Recipients.

Ultimate Recipient. Entity receiving assistance from the Grantee. If a Non-profit corporation is either applying for funding as an Ultimate Recipient or is benefitting from the TAT Grant as the Ultimate Recipient, it must demonstrate Community Ties to the Rural Area. These ties may be demonstrated by:

(1) Obtaining substantial public funding through taxes revenue bonds, or other local Government sources, and/or substantial voluntary community funding, or

(2) Having a broadly-based ownership and control by members of the community, or

(3) Demonstrating all of the following characteristics:

(i) Members of the organization are primarily from the local rural community,

(ii) Membership is open to all adults in the local rural community,

(iii) Members of the organization have ultimate control of the proposed community facility; and

(iv) The organization receives the majority of its funding from its members or their volunteer efforts. Public bodies and Indian Tribes that are applying for funding as Ultimate Recipients or are the benefitting from TAT grant funds as the Ultimate Recipient are not required to further demonstrate Community ties to the local Rural Areas.

[81 FR 1866, Jan. 14, 2016, as amended at 89 FR 34958, May 1, 2024]

§ 3570.253 Compliance with Federal and State requirements.

(a) *Federal statutory requirements.* Applicants must comply with, all applicable Federal laws and Executive Order requirements including, but not limited to:

(1) Section 504 of the Rehabilitation Act of 1973.

(2) Civil Rights Act of 1964.

(3) The American with Disabilities Act (ADA) of 1990.

Rural Housing Service, USDA

§ 3570.262

(4) Executive Order 12549 Debarment and Suspension and 2 CFR parts 180 and 417.

(5) Section 319 of Public Law 101-121 on Lobbying.

(6) Age Discrimination Act of 1975.

(7) Fair Housing Act of 1968.

(8) Executive Order 11246 Equal Employment Opportunity.

(9) Title IX of the Education Amendments of 1972.

(10) 2 CFR parts 200 and 400 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

(b) State laws, local laws, regulatory commission regulations. Applicants must comply with all applicable state and local laws and regulatory commission regulations. If there are conflicts between this subpart and State or local laws or regulations, the provisions of this subpart will control.

§ 3570.254 Source of funds.

The Agency will reserve 5 percent of any funds annually appropriated to carry out each of the Essential Community Facilities grant, loan and loan guarantee programs unless otherwise noted in the annual Notice published in the FEDERAL REGISTER. TAT reserved grant funds not obligated by July 31 of each fiscal year will be used to fund Essential Community Facilities grant, loan, and/or loan guarantee programs.

§ 3570.255 Matching funds.

Any matching funds must comply with the requirements outlined at 2 CFR 200.306.

§ 3570.256 Allocation of funds.

The Agency will administer these grant funds and will award them on a competitive basis.

§ 3570.257 Statute and regulation references.

All references to statutes and regulations are to include any and all successor statutes and regulations.

§§ 3570.258-3570.260 [Reserved]

§ 3570.261 Environmental and inter-governmental review.

All grants awarded under this subpart are subject to the environmental

requirements of 7 CFR part 1940, subpart G. Technical Assistance under this program is categorically excluded unless extraordinary circumstances exist.

§ 3570.262 Applicant eligibility requirements.

There are two types of Applicants. The applicant must be either a Technical Assistance Provider or an Ultimate Recipient, and must meet eligibility requirements before being considered for Agency assistance.

(a) Applicants applying as Technical Assistance Providers must:

(1) Be a public body or a private non-profit corporation, (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations);

(2) Be legally established and located within one of the following:

(i) A State as defined § 3570.252; or

(ii) The District of Columbia; and

(3) Have the proven ability, background, experience (as evidenced by the organization's satisfactory completion of Project(s) similar to those proposed), legal authority and actual capacity to provide Technical Assistance and/or training to Ultimate Recipients as provided in § 3570.252. To meet the requirement of actual capacity, an Applicant must either:

(i) Have the necessary resources to provide Technical Assistance and/or training to associations in Rural Areas through its staff,

(ii) Be assisted by an affiliate or member organization which has such background and experience and which agrees, in writing, that it will provide the technical assistance, or

(iii) May contract with a non-affiliated organization for not more than 49 percent of the awarded grant to provide the proposed technical assistance.

(4) Nonprofits applying as Technical Assistance Providers must be designated tax exempt by the Internal Revenue Service.

(b) Applicants applying as Ultimate Recipients must be:

(1) A public body,

(2) An Indian Tribe, or

§ 3570.263

7 CFR Ch. XXXV (1–1–25 Edition)

(3) A Nonprofit corporation that demonstrates Community ties to the Rural Area by:

(i) Obtaining substantial public funding through taxes revenue bonds, or other local Government sources, and/or substantial voluntary community funding;

(ii) Having a broadly-based ownership and control by members of the community, or

(iii) Demonstrating all of the following characteristics:

(A) Members of the organization are primarily from the local rural community,

(B) Membership is open to all adults in the local rural community,

(C) Members of the organization have ultimate control of the proposed community facility; and

(D) The organization receives the majority of its funding from its members or their volunteer efforts.

§ 3570.263 Eligible project purposes.

(a) Grant funds and any matching funds may be used by Technical Assistance Providers to:

(1) Assist communities in identifying and planning for community facility needs;

(2) Identify resources to finance community facility needs from public and private sources;

(3) Prepare reports and surveys necessary to request financial assistance to develop community facilities;

(4) Prepare applications for Agency financial assistance;

(5) Improve the management, including financial management, related to the operation of community facilities; or

(6) Assist with other areas of need identified by the Secretary.

(b) Grant Funds and any matching funds may be used by Ultimate Recipients only to prepare reports and surveys necessary to request financial assistance to develop community facilities. Applicants applying as Ultimate Recipients will be limited to this purpose.

§ 3570.264 Ineligible project purposes.

Ineligible purposes for grant funds and any matching funds include, but are not limited to:

(a) Duplicate services, such as those previously performed by an association's consultant in developing a Project, including feasibility, design, Professional Services, and cost estimates prior to receiving the grant award.

(b) Purchase real estate or vehicles, improve or renovate office space, or repair and maintain privately owned property.

(c) Pay the costs for construction, improvement, rehabilitation, modification, or operation and maintenance of an Essential Community Facility.

(d) Procure applications for the Agency's community facilities or other loan or grant program. Grant funds cannot be used to generate new applications; however, as stated in § 3570.263(a)(4) funds can be used to assist with application preparation for Agency programs.

(e) Pay for other costs that are not allowed under 2 CFR part 200.

(f) Pay an outstanding judgment obtained by the U.S. in a Federal Court (other than in the United States Tax Court), which has been recorded. An Applicant will be ineligible to receive a grant until the judgment is paid in full or otherwise satisfied.

(g) Intervene in Federal or adjudicatory proceedings.

(h) Fund political or lobbying activities.

(i) Conduct an income survey associated with developing a complete application for a potential Applicant.

(j) Pay for indirect or administrative costs in excess of 10% of the amount of grant.

(k) [Reserved]

(l) Provide assistance to an Ultimate Recipient, or a Project, that is not located in a Rural Area.

(m) Pay for expenses incurred more than three years after the date of the grant agreement.

(n) Provide assistance to a Project that primarily serves an area that is not considered Low Income.

(o) Fund a project where a Conflict of Interest exists.

[81 FR 1866, Jan. 14, 2016, as amended at 81 FR 27295, May 6, 2016]

§§ 3570.265–3570.266 [Reserved]

§ 3570.267 Applications.

(a) *Filing period.* The Agency will publish an annual notice in the FEDERAL REGISTER stating the filing period, where to file, and all other applicable information necessary to submit a complete application.

(b) *Application requirements.* To file an application, an organization must provide their Unique Entity Identifier (UEI) in accordance with 2 CFR part 25. Instructions for obtaining the UEI are available at <https://sam.gov/>. To file a complete application the following information must be submitted:

(1) “Application for Federal Assistance (For Non-Construction)

(2) “Budget Information—Non-Construction Programs.”

(3) “Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transaction.”

(4) “Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative 1—For Grantees Other Than Individuals.”

(5) “Certification Regarding Debarment.”

(6) Attachment regarding assistance provided to Agency Employees as required by RD Instruction 1900-D (1900.153(a)), as applicable.

(7) “Equal Opportunity Agreement.”

(8) “Assurance Agreement.”

(9) Indirect Cost Rate Agreement (if applicable, Applicant must include approved cost agreement rate schedule).

(10) Statement of Compliance with Title VI of the Civil Rights Act of 1964.

(11) “Disclosure of Lobbying Activities” (include only if grant exceeds \$100,000).

(c) *Supporting information.* All applications shall be accompanied by the following supporting information:

(1) For Nonprofit Corporations,

(i) Certified copies of current organizational documents including Certificate of Incorporation, bylaws, and Certificate of Good Standing,

(ii) Evidence of tax exempt status from the Internal Revenue Service if applying as a Technical Assistance Provider, and

(iii) Evidence of Community Ties to a Rural Area if a Nonprofit Corporation applying as an Ultimate Recipient.

(2) For applicants applying as a Technical Assistance Provider, a narrative of their experience in providing services similar to those proposed. The narrative will provide a brief description of successfully completed Projects including the need that was identified and objectives accomplished.

(3) Latest financial information to show the Applicant’s financial capacity to carry out proposed work. A current Audit is preferred; however, Applicants may submit a balance sheet and an income Statement in lieu of an Audit report.

(4) Documentation of cash matching funds, if applicable.

(5) List of proposed services to be provided.

(6) For Applicants applying as Technical Assistance Providers who have not identified the Ultimate Recipients, a narrative explaining how they will select Ultimate Recipients to be assisted with grant funds.

(7) Estimated breakdown of costs (direct and indirect) including those to be funded by Grantee as well as matching funds and other sources. Sufficient detail will be provided to permit the Agency to determine if the costs are allowed, reasonable, and applicable.

(8) Evidence that a Financial Management System used to track Project costs is in place or proposed.

(9) Documentation relevant to scoring criteria including, but not limited to:

(i) List of Ultimate Recipients to be served and the county, State or States where assistance will be provided. Identify Ultimate Recipients by name, or other characteristics such as size, income, location, and provide MHI and population data.

(ii) Description of type of Technical Assistance and/or training to be provided and the tasks to be contracted.

(iii) Description of how the Project will be evaluated, clearly stated goals, and the method proposed to measure results.

(iv) Documentation of the need for the proposed service. Provide detailed

§§ 3570.268–3570.271

7 CFR Ch. XXXV (1–1–25 Edition)

explanation of how the proposed service differs from other similar services being provided in same area.

(v) Personnel on staff or to be contracted to provide services and their experience with similar Projects.

(vi) Statement indicating the number of months it will take to complete the Project or service, and

(vii) Documentation on cost effectiveness of Project. Provide the cost per Ultimate Recipient to be served or the proposed cost of personnel to provide assistance.

[81 FR 1866, Jan. 14, 2016, as amended at 89 FR 34958, May 1, 2024]

§§ 3570.268–3570.271 [Reserved]

§ 3570.272 Grant processing.

(a)–(c) [Reserved]

(d) Applications that are not selected for funding due to low rating will be notified by the Agency. Applications that cannot be funded in the fiscal year that the application was received will not be retained for consideration in the following fiscal year.

(e) Applicants selected for funding will need to accept the conditions set forth in the Letter of Conditions, meet all such conditions, and complete a grant agreement which outlines the terms and conditions of the grant award before grant funds will be disbursed.

§ 3570.273 Scoring.

The Agency will score each application using the following scoring factors unless otherwise provided in an annual Notice in the FEDERAL REGISTER:

(a) *Experience*: Applicant Experience at developing and implementing successful technical assistance and/or training programs:

(1) More than 10 years—40 points.

(2) More than 5 years to 10 years—25 points.

(3) 3 to 5 years—10 points.

(b) *No prior grants received*:

(1) Applicant has never received a TAT Grant—5 points.

(2) [Reserved]

(c) *Population*: The average population of proposed area(s) to be served:

(1) 2,500 or less—15 points.

(2) 2,501 to 5,000—10 points.

(3) 5,001 to 10,000—5 points.

(d) *MHI*: The average median household income (MHI) of proposed area to be served is below the higher of the poverty line or:

(1) 60 percent of the State's MHI—15 points.

(2) 70 percent of the State MHI—10 points.

(3) 90 percent of the State's MHI—5 points.

(e) *Multi-jurisdictional*: The proposed technical assistance or training project a part of a Multi-jurisdictional project comprised of:

(1) More than 10 jurisdictions—15 points.

(2) More than 5 to 10 jurisdictions—10 points.

(3) 3 to 5 jurisdictions—5 points.

(f) *Soundness of approach*: Up to 10 points.

(1) Needs assessment: The problem/issue being addressed is clearly defined, supported by data, and addresses the needs;

(2) Goals & objectives are clearly defined, tied to the need as defined in the work plan, and are measurable;

(3) Work plan clearly articulates a well thought out approach to accomplishing objectives & clearly identifies who will be served by the project;

(4) The proposed activities are needed in order for a complete Community Facilities loan and/or grant application.

(g) *Matching funds*:

(1) There is evidence of the commitment of other cash funds of 20% of the total project costs 10 points.

(2) There is evidence of the commitment of other cash funds of 10% of the total project costs 5 points.

(h) *State Director discretionary points*. The State Director may award up to 10 discretionary points for the highest priority project in each state, up to 7 points for the second highest priority project in each state and up to 5 points for the third highest priority project that address unforeseen exigencies or emergencies, such as the loss of a community facility due to an accident or natural disaster, or other areas of need in their particular state. The State Director will place written documentation in the project file each time the State Director assigns these points—Up to 10 points.

Rural Housing Service, USDA

§ 3570.281

(i) *Administrator discretionary points.* The Administrator may award up to 20 discretionary points for projects to address geographic distribution of funds, emergency conditions caused by economic problems, natural disasters and other initiatives identified by the Secretary—Up to 20 points.

§ 3570.274 Fund disbursement.

The Agency will make payments under this agreement in accordance with 2 CFR 200.305. All requests for advances or reimbursements must be in compliance with 2 CFR 200.306 and include any required matching fund usage.

§ 3570.275 Grant cancellation or major changes.

Any change in the scope of the Project, budget adjustments of more than 10 percent of the total budget, and any other significant change in the Project must be in compliance with 2 CFR 200.308 and 200.339. The changes must be requested in writing and approved by the Agency in writing. Any change not approved may be cause for termination of the grant.

§ 3570.276 Reporting.

(a) The Grantee must provide periodic reports as required by the Agency. A financial status report, SF 425 “Federal Financial Report,” and a project performance report will be required as provided in the grant agreement. The financial status report must show how grant funds and matching funds have been used to date. A final report may serve as the last report. Grantees shall constantly monitor performance to ensure that time schedules are being met and projected goals by time periods are being accomplished. The Project performance reports shall include, but are not limited to, the following:

(1) A description of the activities that the funds reflected in the financial status report were used for;

(2) A comparison of actual accomplishments to the objectives for that period;

(3) Reasons why established objectives were not met, if applicable;

(4) Problems, delays, or adverse conditions which will affect attainment of overall program objectives, prevent

meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accomplished by a Statement of the action taken or planned to resolve the situation;

(5) Objectives and timetables established for the next reporting period;

(6) A summary of the race, sex, and national origin of the Ultimate Recipients;

(7) The final report will also address the following:

(i) What have been the most challenging or unexpected aspects of this grant?

(ii) What advice would you give to other organizations planning a similar grant? What are the strengths and limitations of this grant? If you had the opportunity, what would you have done differently?

(iii) Are there any post-grant plans for this Project? If yes, how will they be financed?

(b) [Reserved]

§ 3570.277 Audit or financial statement.

The Grantee will provide an Audit report or financial Statement in accordance with 2 CFR 200.500–200.517 and as follows:

(a) Grantees expending \$750,000 or more Federal funds per fiscal year will submit an Audit conducted in accordance with 2 CFR parts 200, 215, 220, 225, 230 and 400, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

(b) Grantees expending less than \$750,000 will provide annual financial Statements covering the grant period, consisting of the organization’s statement of income and expense and balance sheet signed by an appropriate Official of the organization. Financial statements will be submitted within 90 days after the Grantee’s fiscal year.

§§ 3570.278–3570.280 [Reserved]

§ 3570.281 Grant servicing.

Grants will be serviced in accordance with 7 CFR part 1951, subpart E.

§ 3570.282

§ 3570.282 [Reserved]

§ 3570.283 Exception authority.

The Administrator may make an exception to any requirement or provision of this subpart, if such an exception is necessary to implement the intent of the authorizing statutes in a time of national emergency or in accordance with a Presidentially-declared disaster, or on a case-by-case basis, when such an exception is in the best financial interest of the Federal Government and is otherwise not in conflict with applicable laws. No exceptions, however, will be granted for Applicant, Ultimate Recipient, or Project eligibility.

7 CFR Ch. XXXV (1-1-25 Edition)

§ 3570.284 Review or appeal rights.

A person may seek a review of an Agency decision under this subpart from the appropriate Agency official that oversees the program in question or appeal to the USDA National Appeals Division in accordance with 7 CFR part 11.

§§ 3570.285–3570.299 [Reserved]

§ 3570.300 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been submitted to the Office of Management and Budget (OMB) for approval.

PARTS 3575–3599 [RESERVED]