projects. The amount of non-Agency derived intermediary funds will average:

(A) At least 10% but less than 25% of the total project costs—10 points.

(B) At least 25% but less than 50% of total project costs—20 points.

(C) 50% or more of total project costs—30 points.

(2) *Employment.* For computations under this paragraph, income data should be from the latest decennial census of the United States, updated according to changes in consumer price index (CPIU). The poverty line used will be as defined in Section 673 (2) of the Community Services Block Grant Act (42 U. S. C. 9902 (2)). Unemployment data used will be that published by the Bureau of Labor Statistics, U.S. Department of Labor.

(i) The median household income in the service area of the proposed intermediary equals the following percentage of the poverty line for a family of four:

(A) At least 150% but not more than 175%—5 points.

(B) At least 125% but less than 150%—10 points.

(C) Below 125%—15 points.

(ii) The intermediary certifies that the following percentage of the loans it makes from Agency IRP loan funds will be in counties with median household income below 80 percent of the statewide non-metropolitan median household income. (To receive priority points under this category, the intermediary must provide a list of counties in the service area that have qualifying income.)

(A) At least 50% but less than 75%— 5 points.

(B) At least 75% but less than 100%— 10 points.

(Ċ) 100%—15 points.

(iii) The unemployment rate in the intermediary's service area equals the following percentage of the national unemployment rate:

(A) At least 100% but less than 125%—5 points.

(B) At least 125% but less 150%—10 points.

(C) 150% or more—15 points.

(iv) The intermediary will require, as a condition of eligibility for a loan to an ultimate recipient from Agency IRP loan funds, that the ultimate recipient certify in writing that it will employ the following percentage of its workforce from members of families with income below the poverty line.

(A) At least 10% but less than 20% of the workforce—5 points.

(B) At least 20% but less than 30% of the workforce—10 points.

(C) 30% of the workforce or more—15 points.

(v) The intermediary has a demonstrated record of providing assistance to members of underrepresented groups, has a realistic plan for targeting loans to members of underrepresented groups, and, based on the intermediary's record and plans, it is expected that the following percentages of its loans made from Agency IRP loan funds will be made to entities owned by members of underrepresented groups.

(A) At least 10% but less than 20%— 5 points.

(B) At least 20% but less than 30%— 10 points.

(C) 30% or more—15 points.

(3) Intermediary contribution. All assets of the IRP revolving fund will serve as security for the IRP loan and the intermediary will contribute funds not derived from the Agency into the IRP revolving fund along with the proceeds of the IRP loan. The amount of non-Agency derived funds contributed to the IRP revolving fund will equal the following percentage of the Agency IRP loan:

(i) At least 5% but less than 15%—15 points.

(ii) At least 15% but less than 25%— 30 points.

(iii) 25% or more—50 points.
(4) *Experience*. The intermediary has actual experience in making and servicing commercial loans, with a successful record, for the following number of full years:

(i) At least 1 but less than 3 years— 5 points.

(ii) At least 3 but less than 5 years— 10 points.

(iii) At least 5 but less than 10 years— 20 points.

(iv) 10 or more years—30 points.
(5) Community representation. The service area is not more than 10 counties and the intermediary utilizes local opinions and experience by including community representatives on its board of directors or equivalent oversight board. For purposes of this section, community representatives are people, such as civic leaders, business representatives, or bankers, who reside in the service area and are not employees of the intermediary.

(i) At least 10% but less than 40% of the board members are community representatives—5 points.

(ii) At least 40% but less than 75% of the board members are community representatives—10 points.

(iii) At least 75% of the board members are community representatives—15 points.

(6) Administrative. The Administrator may assign up to 35 additional points to an application to account for items not adequately covered by the other priority criteria set out in this section. Such items may include, but are not limited to, a particularly successful business development record, a service area with no other IRP coverage, a service area with severe economic problems, a service area with emergency conditions caused by a natural disaster or loss of a major industry, or excellent utilization of a previous IRP loan.

§1948.124 [Reserved]

§1948.125 Letter of conditions.

If the Agency is able to provide the loan, it will provide the intermediary a letter of conditions listing all requirements for such loan. Immediately after reviewing the conditions and requirements in the letter of conditions, the intermediary should complete, sign and return the Form FmHA 1942-46, "Letter of Intent To Meet Conditions," to the Agency. If certain conditions cannot be met, the borrower may propose alternate conditions to the Agency. The Agency loan approval official must concur with any changes made to the initially issued or proposed letter of conditions.

§1948.126 Loan approval and obligating funds.

The loan will be considered approved on the date the signed copy of Form FmHA 1940–1 is mailed to the intermediary. The approving official may request an obligation of funds when available and according to the following:

(a) Form FmHA 1940–1, authorizing funds to be reserved, may be executed by the loan approving official providing the intermediary has the legal authority to contract for a loan, and to enter into required agreements and has signed Form FmHA 1940–1.

(b) An obligation of funds established for an intermediary may be transferred to a different (substituted) intermediary provided:

(1) The substituted intermediary is eligible to receive the assistance approved for the original intermediary;

(2) The substituted intermediary bears a close and genuine relationship to the original intermediary; and

(3) The need for and scope of the project and the purpose(s) for which Agency IRP loan funds will be used remain substantially unchanged.

§1948.127 Loan closing.

(a) At loan closing, the intermediary must certify to the following:

(1) No major changes have been made in the work plan except those approved in the interim by the Agency.