EXHIBIT B TO SUBPART L OF PART 1940—
authorized for this program.
Suballocation by the State Director is
made available to States on an annual
basis.
§ 1940.552(i). The allocation of funds is
available administratively.
Administrative allocation and will be made
Pooled funds will be placed in the Na-
RBS, RHS, RUS, FSA, USDA

(1) The criteria used in the basic for-
mula are:
(i) State’s percentage of national rural population—50 percent.
(ii) State’s percentage of national rural population with incomes below
the poverty level—25 percent.
(iii) State’s percentage of national nonmetropolitan unemployment—25
percent.
(2) The data source for each criterion
is based on the latest census data
available. The percentage representing
each criterion is multiplied by the
weight factor and added to arrive at a
State Factor (SF). The SF cannot ex-
ceed .05.
SF = \((\text{criterion } (b)(1)(i) \times 50 \text{ percent}) + \)
\((\text{criterion } (b)(1)(ii) \times 25 \text{ percent}) + \)
\((\text{criterion } (b)(1)(iii) \times 25 \text{ percent})\)

(c) Basic formula allocation. See § 1940.552(c).
(d) Transition formula. The transition
formula is not used for Rural Business
Opportunity Grants (RBOG).
(e) Base allocation. See §1940.552(e).
(f) Administrative allocation. The ad-
nominal administrative allocation is not used
for RBOG.
(g) Reserve. See §1940.552(g).
h) Pooling of funds. See §1940.552(h).
Funds are pooled near fiscal year-end.
Pooled funds will be placed in the Na-
tional Office reserve and will be made available administratively.
(i) Availability of the allocation. See §1940.552(i). The allocation of funds is
made available to States on an annual basis.
(j) Suballocation by the State Director.
Suballocation by the State Director is
authorized for this program.
[88 FR 14528, Mar. 26, 2003; 68 FR 17153, Apr. 8, 2003]
§§ 1940.594–1940.600 [Reserved]
EXHIBIT A TO SUBPART L OF PART 1940
[Reserved]
EXHIBIT B TO SUBPART L OF PART 1940—
SECTION 515 NONPROFIT SET ASIDE
(NPSA)
I. Objective: To provide eligible nonprofit
entities with a reasonable opportunity to
utilize section 515 funds.
II. Background: The Cranston-Gonzales Na-
tional Affordable Housing Act of 1990 estab-
lished the statutory authority for the sec-
tion 515 NPSA funds.
III. Eligible entities. Amounts set aside shall be
available only for nonprofit entities in the
State, which may not be wholly or partially
owned or controlled by a for-profit entity.
An eligible entity may include a partnership,
including a limited partnership, that has as
its general partner a nonprofit entity or the
nonprofit entity’s for-profit subsidiary which
will be receiving low-income housing tax
credits authorized under section 42 of the In-
ternal Revenue Code of 1986. For the pur-
poses of this exhibit, a nonprofit entity is an
organization that:
A. Will own an interest in a project to be
financed under this section and will materi-
ally participate in the development and the
operations of the project; and
B. Is a private organization that has non-
profit, tax exempt status under section
501(c)(3) or section 501(c)(4) of the Internal
Revenue Code of 1986; and
C. Has among its purposes the planning,
development, or management of low-income
housing or community development projects; and
D. Is not affiliated with or controlled by a
for-profit organization; and
E. May be a consumer cooperative, Indian
tribe or tribal housing authority.
IV. Nondiscrimination. Rural Development
reemphasizes the nondiscrimination in use
and occupancy and location requirements of
7 CFR 550.104.
V. Amount of Set Aside. See Attachment 1 of
this exhibit (available in any FmHA or its
successor agency under Public Law 103–354
State Office):
A. Small State Allocation Set Aside (SSASA).
The allocation for small States has been
reserved and combined to form the SSASA, as
shown in Attachment 1 of this exhibit (avail-
able in any FmHA or its successor agency
under Public Law 103–354 State Office). The
definition of small State is included in At-
tachment 1 of this exhibit (available in any
FmHA or its successor agency under Public
Law 103–354 State Office).
B. Large State Allocation Set Aside (LSASA).
The allocation for large States has been re-
served in the amounts shown in Attachment
1 of this exhibit (available in any FmHA or
its successor agency under Public Law 103–354
State Office). The definition of large
State is included in Attachment 1 of this ex-
hibit (available in any FmHA or its suc-
cessor agency under Public Law 103–354
State Office).
C. NPSA Rental Assistance (RA). NPSA RA
has been reserved in the National Office as
shown in Attachment 1 of this exhibit (avail-
able in any FmHA or its successor agency
under Public Law 103–354 State Office).
VI. Access to NPSA funds and RA. RA is
available and may be requested, as needed,
with eligible loan requests. NPSA funds and