approvable applications received, the following distribution plan shows the numbers of metropolitan and nonmetropolitan units and Fiscal Year 1986 loan authority under which applications may be funded in each Field Office jurisdiction identified below:

FISCAL YEAR 1986 SECTION 202 ALLOCATIONS

Field Offices	Metropolitan		Nonmetropolitan	
	Loan authority	Units	Loan authority	Units
Boston regional office:				
Boston	$13,610,000	247	1,873,000	34
Hartford	5,872,000	111	635,000	12
Manchester (ME, NH, VT)	1,577,000	36	4,117,000	94
Providence	1,617,000	36	557,000	12
Total	22,730,000	430	7,182,000	152
New York regional office:				
Buffalo	6,427,000	156	3,214,000	78
New York	37,027,000	607	671,000	11
Newark	17,310,000	3000	0	0
Caribbean	5,790,000	154	2,782,000	74
Total	66,554,000	1,217	6,667,000	163
Philadelphia regional office:				
Baltimore	4,550,000	94	871,000	18
Charleston	1,150,000	24	2,922,000	61
Philadelphia (Delaware)	13,468,000	258	2,662,000	51
Pittsburgh	5,977,000	121	2,618,000	53
Richmond	3,055,000	76	3,618,000	90
D.C. (MD. and VA)	4,326,000	84	0	0
Total	32,526,000	675	12,691,000	273
Atlanta regional office:				
Atlanta	4,686,000	110	5,197,000	122
Birmingham	3,505,000	92	3,924,000	103
Columbia	2,822,000	83	3,638,000	107
Greensboro	3,870,000	109	6,887,000	194
Jackson	2,008,000	52	3,976,000	103
Jacksonville	19,464,000	415	2,814,000	60
Louisville	2,391,000	56	5,338,000	125
Knoxville	1,749,000	53	1,452,000	44
Nashville	2,237,000	66	2,336,000	71
Total	42,732,000	1,038	35,562,000	929
Chicago regional office:				
Chicago	17,745,000	325	5,589,000	102
Cincinnati	2,924,000	66	532,000	12
Cleveland	7,794,000	180	2,208,000	51
Columbus	2,303,000	58	2,104,000	53
Detroit	8,674,000	183	948,000	20
Grand Rapids	2,058,000	57	2,671,000	74
Indianapolis	4,472,000	118	3,259,000	86
Milwaukee	4,355,000	119	3,513,000	96
Minneapolis-St. Paul	3,179,000	83	2,873,000	74
Total	53,504,000	1,189	23,678,000	569
Fort Worth regional office:				
Fort Worth (NM)	5,858,000	145	4,888,000	121
Houston	3,579,000	92	1,478,000	38
Little Rock	1,260,000	43	4,278,000	148
New Orleans	3,749,000	91	3,461,000	84
Oklahoma City	1,976,000	61	2,981,000	92
San Antonio	2,648,000	71	1,567,000	42
Total	19,070,000	503	16,653,000	523
Kansas City regional office:				
Des Moines	1,338,000	37	3,539,000	98
Kansas City	3,004,000	93	3,650,000	113
Omaha	1,167,000	36	1,199,000	37
St. Louis	3,249,000	77	2,405,000	57
Total	8,758,000	243	10,792,000	305
Denver regional office:				
Denver Office (N.D., S.D., MT., WY., UT)	4,355,000	102	5,209,000	122
Total	4,355,000	102	5,209,000	122
San Francisco regional office:				
Honolulu (Guam)	1,150,000	23	300,000	6
Los Angeles	28,952,000	517	2,240,000	40
Phoenix	3,234,000	66	1,692,000	45
Sacramento	2,791,000	63	886,000	20
San Francisco (Nevada)	13,808,000	263	1,628,000	31
Total	49,935,000	952	6,746,000	142
Seattle Regional office:				
Anchorage	0	0	487,000	8
Portland (Idaho)	2,345,000	67	2,275,000	65
Seattle	4,099,000	96	1,452,000	34
Total	6,444,000	163	$4,214,000	107
National:				
Total	$306,606,000	6,494	131,394,000	3,285

This distribution plan is a guide for prospective Sponsors. Whether an area is "metropolitan" or "nonmetropolitan" will be determined in accordance with the redefinitions of metropolitan statistical areas announced by the Office of Management and Budget, effective June 30, 1983. (See OMB Public Affairs Issuance 83-20, June 27, 1983 and subsequent changes made June 27, 1984 and June 27, 1985.)

To provide equitable geographic distribution of the limited number of section 202 units throughout a Field Office jurisdiction, the maximum number of units that may be requested under any one application will be 100 units for metropolitan areas and 40 units for nonmetropolitan areas, or the number of units allocated to each, whichever is lesser. Notwithstanding the above, the size limits for projects for the chronically mentally ill and other nonelderly handicapped set forth in Paragraphs (9) and (10) below, will apply.

Priority Categories for Selection

The following priority system is to assure that applications from localities that have been relatively underfunded over the years receive priority consideration and are treated in an equitable manner. In order to assure open competition, Field Offices will not *suballocate funds within their* jurisdictions. However, 20–25 percent of the funds made available to the Department will be allocated to nonmetropolitan areas to meet rural housing needs. Applications received for projects in metropolitan areas will compete against each other; applications received for projects in nonmetropolitan areas similarly will compete against each other.

In order to assure that applications are funded in the areas of greatest need, approvable applications will be divided into two priority categories, each of which shall have two subcategories. The categories and subcategories are as follows:

Category A—Applications for projects which will be located in localities which have previously been underfunded relative to their needs and the funding needs of other localities.

(1) Such applications which are in localities within jurisdictions having rental vacancy rates of 7 percent or less;

(2) Such applications which are in localities within jurisdictions having rental vacancy rates in excess of 7 percent.

Category B—Applications for projects which will be located in localities which have *not* been underfunded relative to their needs and the funding needs of other localities.

(1) Such applications which are in localities within jurisdictions having rental vacancy rates of 7 percent or less;

(2) Such applications which are in localities within jurisdictions having rental vacancy rates in excess of 7 percent.

Applications shall be selected for funding first from Category A(1), second from Category A(2), third from Category B(1), and finally from Category B(2). An application in a lower subcategory which is judged clearly superior, i.e., its final score is at least 10 points higher than the one in the next higher category, may be selected for funding. For example, if an application in Category

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