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| <b>EMPLOYMENT AND TRAINING ADMINISTRATION<br/>ADVISORY SYSTEM<br/>U.S. DEPARTMENT OF LABOR<br/>Washington, D.C. 20210</b> | <b>CLASSIFICATION</b><br>UI              |
|   | <b>CORRESPONDENCE SYMBOL</b><br>OUI/DFAS |
|   | <b>DATE</b><br>January 27, 2017          |

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 11-17**

**TO: STATE WORKFORCE AGENCIES**

**FROM: BYRON ZUIDEMA /s/  
Deputy Assistant Secretary**

**SUBJECT: Interest Rate on Title XII Advances During Calendar Year (CY) 2017**

1. **Purpose.** To announce the rate of interest that the U.S. Department of the Treasury (Treasury) will charge on Title XII advances during CY 2017.
2. **References.**
  - Sections 303 and 1202 of the Social Security Act (SSA);
  - Section 3304 of the Federal Unemployment Tax Act (FUTA); and
  - 20 CFR part 606.
3. **Background.** The criteria for establishing the rate of interest to be charged on Title XII advances during any CY are described in Section 1202(b)(4), SSA (42 U.S.C. §1322(b)(4)).
4. **CY 2017 Interest Rate.** Treasury has established the rate above for the quarter ending December 31, 2016, to be 2.2124 percent. As such, this becomes the rate of interest that will be charged to repayable Title XII advances during CY 2017.
5. **Action Requested.** States expecting to request a Title XII advance should take necessary action to establish a mechanism to provide funds for the payment of interest on those advances, in accordance with the provisions of Section 1202(b), SSA (42 U.S.C §1322(b)), and subject to the limitations in Section 303(c)(3) and 1202(b)(5), SSA (42 U.S.C. §§503(c)(3) and Section 1322(b)(5)) and Section 3304(a)(17), FUTA (26 U.S.C. §3304(a)(17)).

In summary, interest is due and payable each September 30, and may not be paid from the state's unemployment fund or from Federal funds. However, there are several provisions for interest relief, including "Cash flow loans," "May/September delays," "High unemployment deferrals," and "High unemployment delays." For further information concerning relief from Title XII interest payments, see 20 CFR part 606, subparts D and E.

6. **Inquiries.** Questions should be directed to the appropriate Regional Office.

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| <b>RESCISSIONS</b><br>None | <b>EXPIRATION DATE</b><br>December 31, 2017 |
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