

# Environmental Loans Programs

Learn about the Environmental Loans programs and find guidance at [dnr.wi.gov/aid/eif.html](http://dnr.wi.gov/aid/eif.html).

## Affordable Financial Assistance for Drinking Water, Wastewater, & Storm Water Projects

The Wisconsin Environmental Improvement Fund (EIF) is a state revolving loan fund that combines federal capitalization grants from the U.S. Environmental Protection Agency (EPA) Clean Water and Drinking Water State Revolving Funds (SRFs) with state funding to provide affordable financial assistance to municipalities for publicly-owned drinking water, wastewater, and storm water infrastructure projects that are needed to achieve or maintain compliance with federal and state regulations relating to water supply and wastewater treatment. It includes projects for compliance with a municipality's Wisconsin Pollutant Discharge Elimination System (WPDES) permit.

- Implementation details: ss. 281.58 & 281.59 & 281.61, Wis. Stats., and chs. NR 162 & 166, Wis. Adm. Code.

## Environmental Loans Programs

The EIF includes two environmental financing programs (*with subprograms*) for local governments:

- **Clean Water Fund Program (CWFP)** for wastewater and storm water infrastructure projects, since 1991. Common projects: sewer replacement or rehabilitation, and wastewater treatment facility/plant upgrades.
- **Safe Drinking Water Loan Program (SDWLP)** for drinking water infrastructure projects, since 1998. Common projects: new wells, wellhouse rehabilitation, storage facilities, and watermain replacements.

## Benefits & program features

- Fixed interest rates on long-term loans.
- Online system for notice of Intent to Apply (ITA) and Application submittals.
- Dedicated DNR project manager and construction management engineer.
- Coordination of funds with other funding sources.
- Program subsidy buys down the market rate on loans (**reduced-interest rate loans**).
- Some municipalities may be eligible for further subsidy to reduce its loan size (**principal forgiveness**).

## How may the funds be used?

The program funds are for reasonable and necessary costs directly related to the **planning, design, & construction** of eligible projects. Funds may be used to construct, improve, modify, purchase, replace, restore, and upgrade drinking water, wastewater, and storm water systems and infrastructure; such as collection, conveyance, disposal, distribution, sourcing, storage, transmission, and treatment.

## Who may apply?

Eligible applicants and funding recipients, also referred to as **municipalities** or **local governments**, include, but aren't limited to: Wisconsin cities, towns, villages, counties, and sanitary districts.

## How do we apply? When do we apply?

Application guidance and considerations are available under the How to Apply tab at [dnr.wi.gov/aid/eif.html#tabx3](http://dnr.wi.gov/aid/eif.html#tabx3).

- **October 31<sup>st</sup>** - CWFP & SDWLP Intent to Apply (ITA) deadline for the *following* state fiscal year funding cycle.
- **June 30<sup>th</sup>** - SDWLP Application deadline for the *upcoming* state fiscal year funding cycle.
- **September 30<sup>th</sup>** - CWFP Application deadline if requesting principal forgiveness for the *current* funding cycle.
- Applications accepted **year-round** for CWFP projects not seeking principal forgiveness (PF).

The state fiscal year (SFY) begins on the first day of July in each year and closes on the next following June 30<sup>th</sup>.

- Submit ITAs by 10/31/2019 deadline if seeking funding in SFY 2021 (07/01/2020 – 06/30/2021).

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LOAN INTEREST RATE DETERMINATION	PERCENT OF MARKET RATE	INTEREST RATE
<b>CWFP</b> For the portion of eligible projects for receiving and storing septage, and capacity for treating septage; as well as for mercury remediation at wastewater treatment facilities.	0%	<b>0%</b>
<b>CWFP</b> For eligible projects of extremely disadvantaged municipalities meeting the following financial need criteria: < 1,000 population; and ≤ 65% of Wisconsin *MHI.	0%	<b>0%</b>
<b>CWFP &amp; SDWLP</b> For eligible projects of disadvantaged municipalities meeting the following financial need criteria: < 10,000 population; and ≤ 80% of Wisconsin *MHI.	33%	<b>1.056%</b>
<b>CWFP &amp; SDWLP</b> For eligible projects of municipalities not meeting above criteria.	55%	<b>1.760%</b>
<b>MARKET RATE</b> (effective 07/01/20–09/30/20) *MHI=Median Household Income	100%	<b>3.200%</b>

## Subsidized loans (loans at or below a competitive market rate)

Most eligible project costs are funded at a percentage of the market rate, in accordance with ss. 281.58(12)(a) and 281.61(11), Wis. Stats. Program subsidy buys down the market rate on loans (**reduced-interest rate loans**). On a quarterly basis, the Wisconsin Department of Administration (DOA) assesses the market rate on which the Clean Water Fund Program (CWFP) and Safe Drinking Water Loan Program (SDWLP) subsidies are based. The rate applied to the loan is the market rate in effect at the time of the municipal bond meeting (*at which resolutions approving municipal obligations and Financial Assistance Agreements (FAAs) are signed/executed*).

- **View current rates at** [dnr.wi.gov/aid/documents/eif/guide/interest.html](http://dnr.wi.gov/aid/documents/eif/guide/interest.html).

## Fixed interest rates on long-term loans

The DOA has set the market rate at 3.200% for loans with municipal bond meetings on or after July 1, 2020, through September 30, 2020, and with a final maturity of twenty (20) years or less. During that quarter, the loan interest rate will be determined based on the market rate of 3.200%:

- CWFP loans, provided at 0% of the market rate, will be awarded with an interest rate of 0%.
- CWFP and SDWLP loans, provided at 33% of the market rate, will be awarded with an interest rate of 1.056%.
- CWFP and SDWLP loans, provided at 55% of the market rate, will be awarded with an interest rate of 1.760%.
- Eligible CWFP Pilot Projects may be awarded loans with an interest rate as low as 0%.
- View CWFP Small Loans Program (SLP) interest rates at [dnr.wi.gov/Aid/documents/EIF/small.html#rate](http://dnr.wi.gov/Aid/documents/EIF/small.html#rate).

