

# Loan Capacity FAQs

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

The following questions came from a Wisconsin Department of Natural Resources (DNR) webinar held on Feb. 8, 2024, to discuss loan capacity limitations and resulting impacts. This document was updated in December 2024 and again in October 2025 to reflect updated funding information. The webinar recording is available on our [Loan Capacity page](#).

## Supplemental Applications for Financial Assistance

### What Is a Supplemental Application?

Any Clean Water Fund Program (CWFP) or Safe Drinking Water Loan Program (SDWLP) application submitted after the respective program's competitive application deadline are considered supplemental applications. Supplemental applications are **not** eligible for principal forgiveness (PF), other than energy efficiency PF. The SDWLP application deadline is June 30, while the CWFP application deadline is Sept. 30.

### Will Supplemental Applications Be Accepted for The State Fiscal Year 2026 Funding Cycle?

- Supplemental SDWLP applications will **not** be accepted for state fiscal year (SFY) 2026.
- Supplemental CWFP applications will be accepted for SFY 2026; however, there is no guarantee that they will be funded.

Note: The applicable deadlines are set in the CWFP and SDWLP annual intended use plans (IUPs) for the upcoming fiscal years. Applications may be submitted at any time during the state fiscal year; however, a complete application must be submitted by the deadline to be ranked on the program's funding list in priority score order for the purpose of allocating loan funds and PF. Complete, eligible applications received after the submittal deadline will be eligible for loan funding, if available, and will not be eligible for general PF. The CWFP applications submitted after Sept. 30 may still receive a loan and be considered for energy efficiency priority PF if funding is available.

## Project Priority Evaluation and Ranking Formula (PERF)

### Will PERF Scores Be Used for Supplemental Applications?

Supplemental applications are accepted on a first come, first served basis. The PERF scores are only used for applications that are received by the competitive application deadline.

### Due To High Demand, Are You Considering Making Adjustment to PF or PERF Scoring Criteria?

The DNR has made some changes to its principal forgiveness and PERF policies. We encourage you to read the program's annual IUP to get details explaining these changes and when they will apply. The IUPs are available on the DNR's [Project Lists and Intended Use Plans webpage](#).

Most changes to PF or PERF scoring criteria require careful consideration and proper notification to prospective applicants. The deadline to submit SFY 2027 notices of intent to apply and PERFs was Oct. 31, 2025; therefore, any changes would not go into effect until the SFY 2028 funding cycle.

## Loan Closings

### What Are the Loan Closing Deadlines for Regular and Supplemental Applications?

Funding deadlines are set in the program's annual IUP and are available under the "Deadlines" tab on the DNR's [Environmental Loans webpage](#).

## Loan Expenditures

### Do Funds for SFY 2026 Need to Be Fully Expended by June 30, 2026?

No. Funds do not need to be to be fully expended by the end of the state fiscal year.

### What Is the Deadline for Spending Down Loans Once They Are Closed?

There is no deadline to spend down loans, however municipalities should submit invoices for reimbursement in a timely manner to avoid the issues related to complying with U.S. Department of Treasury reimbursement regulations. Generally, the reimbursement of municipal accounts from Environmental Improvement Fund loan proceeds must occur not later than eighteen months after the later of (i) the date the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

## Environmental Improvement Fund (EIF) Financial Management

### Has the DNR Considered Leveraging the Programs?

Starting in SFY 2016, Wisconsin's Clean Water and Drinking Water State Revolving Funds (SRFs) have been operating as leveraged programs with proceeds of State EIF revenue bonds. Debt service on the EIF revenue bonds is paid from SRF loan and investment loan repayments.

### Is the State Legislature Aware of This Loan Capacity Issue? Are They Planning to Do Anything About It in the Near Term?

Yes. On July 3, 2025, the State 2025-27 biennial budget was signed into law, which increased EIF revenue obligation bonding authority by \$732 million. While this helps meet the recent increase in demand for funding, loan capacity also depends on how much revenue bonding each program can sustainably support.

## Contact Information

Direct questions about the Clean Water Fund Program to:

- Lisa Bushby, CWFP coordinator, at [Lisa.Bushby@Wisconsin.gov](mailto:Lisa.Bushby@Wisconsin.gov)

Direct questions about the Safe Drinking Water Loan Program to:

- Noah Balgooyen, SDWLP coordinator, at [Noah.Balgooyen@Wisconsin.gov](mailto>Noah.Balgooyen@Wisconsin.gov)

