

Environmental Loans Interest Rates

Learn about the Environmental Loans programs and find guidance at dnr.wi.gov/aid/eif.html

The **Clean Water Fund Program (CWFP)** and **Safe Drinking Water Loan Program (SDWLP)** provide subsidized (low interest) loans to municipalities for drinking water, wastewater, and water quality-related storm water projects.

BOND TYPE SECURING LOAN		Tax-Exempt		Taxable		
LOAN TERM		≤ 20 YEARS	21-30 YEARS	≤ 20 YEARS	21-30 YEARS	
MARKET RATE (effective 01/01/2026)		4.500%	4.700%	5.357%	5.595%	
PROJECT TYPE	% of MARKET RATE	LOAN INTEREST RATE				
CWFP and SDWLP For eligible projects of municipalities not meeting the financial need criteria.	55%	2.475%	2.585%	2.946%	3.077%	
CWFP and SDWLP For eligible projects of disadvantaged municipalities meeting the following financial need criteria: <ul style="list-style-type: none"> • < 10,000 population; and • ≤ 80% of Wisconsin's median household income. 	33%	1.485%	1.551%	1.768%	1.846%	
CWFP For eligible projects of extremely disadvantaged municipalities meeting the following financial need criteria: <ul style="list-style-type: none"> • < 1,000 population; and • ≤ 65% of Wisconsin's median household income. 	0%	0%	0%	0%	0%	
CWFP For the portion of eligible projects for receiving and storing septage, and capacity for treating septage.	0%	0%	0%	0%	0%	
MARKET RATE (effective 01/01/2026)		100%	4.500%	4.700%	5.357%	5.595%

Market Rate

On a quarterly basis, the Wisconsin Department of Administration assesses the market rates on which the CWFP and the SDWLP subsidies are based. The interest rate applied to the program loan is based on the market rate in effect on the day the municipal governing body signs the financial assistance agreement (FAA) also known as a loan. Direct questions about the market and interest rates to DOAEIF@wisconsin.gov.

Subsidy

The CWFP and the SDWLP provide subsidy to municipalities to buy down the market rate on program loans to the reduced interest rates described in the table shown above.

- **View current rates at dnr.wi.gov/aid/documents/eif/guide/interest.html.**

Some economically disadvantaged municipalities may also be eligible for additional subsidy in the form of principal forgiveness (PF), which is comparable to a grant because it reduces the size of the program loan, thus reducing annual principal and interest payments.

- Learn about PF at dnr.wi.gov/aid/documents/eif/guide/PF.html.

