

# Environmental Loans Interest Rates

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

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

LOAN INTEREST RATE DETERMINATION	PERCENT OF MARKET RATE	≤ 20 YR TERMS	21-30 YR TERMS
<b>CWFP &amp; SDWLP</b> For eligible projects of municipalities not meeting the financial need criteria.	55%	2.035%	2.145%
<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%	1.221%	1.287%
<b>CWFP</b> For eligible projects of extremely disadvantaged municipalities meeting following financial need criteria: < 1,000 population; and ≤ 65% of Wisconsin's MHI.	0%	0%	0%
<b>CWFP</b> For the portion of eligible projects for receiving and storing septage and capacity for treating septage, and non-traditional pilot projects, e.g., water quality trading.	0%	0%	0%
<b>MARKET RATE</b> (effective now thru 06/30/22) <i>*MHI=Median Household Income</i>	100%	3.700%	3.900%

## Fixed interest rates on long-term loans

On a quarterly basis, the Wisconsin Department of Administration assesses the market rate on which the CWFP and SDWLP subsidies are based. Effective immediately, the market rate for loans up to and equal to 20 years is 3.70% and the market rate for loans exceeding 20 years and up to 30 years is 3.90%.

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

Most eligible project costs are funded at a percentage of the market rate. Program subsidy buys down the market rate on loans (**reduced-interest rate loans**). The interest rate applied to the loan is based on the market rate in effect on the day the municipal governing body signs the assistance agreement.

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

## Principal Forgiveness (PF)

Some municipalities may be eligible for further subsidy in the form of PF, which is comparable to a grant because it reduces the loan's size (reduced annual principal & interest payments), [dnr.wi.gov/aid/documents/eif/guide/PF.html](https://dnr.wi.gov/aid/documents/eif/guide/PF.html).

