

# Environmental Loans Programs

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

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

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

## Clean Water Fund Program (CWFP)

Since 1991, the CWFP is for wastewater and water quality-related storm water infrastructure projects. Common projects include sewer replacement or rehabilitation and wastewater treatment plant upgrades.

## Safe Drinking Water Loan Program (SDWLP)

Since 1998, the SDWLP is for drinking water infrastructure projects. Common projects include new wells, wellhouse rehabilitation, storage facilities and watermain replacements.

Note: Effective with the state fiscal year 2025 funding cycle, all projects must follow the new versions of chapters NR 162 (CWFP) and NR 166 (SDWLP), Wis. Adm. Code, see [dnr.wi.gov/aid/documents/eif/statutes/elcodes.html](https://dnr.wi.gov/aid/documents/eif/statutes/elcodes.html).

## Benefits And Program Features

- Online application systems
- Fixed interest rates on long-term loans
- Coordination of funds with other funding sources
- Dedicated DNR loan project manager and construction management engineer
- Program subsidy buys down the market rate on loans (**standard interest rate is 55% of market rate**)
- Some municipalities may be eligible for further subsidy to reduce its loan size (i.e., principal forgiveness)

## How May The Funds Be Used?

Program funds are for reasonable and necessary costs directly related to the **planning, design and 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?

**Wisconsin cities, towns, villages, counties, sanitary districts and other qualifying municipalities.**

## 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](https://dnr.wi.gov/aid/eif.html#tabx3). Deadlines are set in the program's annual intended use plan, see [dnr.wi.gov/aid/projectListsIUPs.html](https://dnr.wi.gov/aid/projectListsIUPs.html).

- **June 30** – SDWLP application deadline.
  - Submit SDWLP applications by June 30, 2025, if seeking financing in the SFY 2026 funding cycle.
- **Sept. 30** – CWFP application deadline.
  - Submit CWFP applications by Sept. 30, 2025, if seeking financing in the SFY 2026 funding cycle.
- **Oct. 31** – CWFP and SDWLP notice of intent to apply (ITA) deadline.
  - Submit ITAs by Oct. 31, 2025, if seeking financing in the state fiscal year (SFY) 2027 funding cycle.

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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 01/01/2025):		4.000%	4.200%	4.494%	4.719%	
PROJECT TYPE	% of MARKET RATE	LOAN INTEREST RATE				
<b>CWFP and SDWLP</b> For eligible projects of municipalities not meeting the financial need criteria.	55%	<b>2.200%</b>	<b>2.310%</b>	2.471%	2.595%	
<b>CWFP and SDWLP</b> For eligible projects of disadvantaged municipalities meeting the following financial need criteria: <ul style="list-style-type: none"> <li>&lt; 10,000 population; and</li> <li>≤ 80% of Wisconsin's median household income.</li> </ul>	33%	<b>1.320%</b>	<b>1.386%</b>	1.483%	1.557%	
<b>CWFP</b> For eligible projects of extremely disadvantaged municipalities meeting the following financial need criteria: <ul style="list-style-type: none"> <li>&lt; 1,000 population; and</li> <li>≤ 65% of Wisconsin's median household income.</li> </ul>	0%	<b>0%</b>	<b>0%</b>	0%	0%	
<b>CWFP</b> For the portion of eligible projects for receiving and storing septage, and capacity for treating septage.	0%	<b>0%</b>	<b>0%</b>	0%	0%	
<b>MARKET RATE (effective 01/01/2025)</b>		100%	<b>4.000%</b>	<b>4.200%</b>	4.494%	4.719%

## Market Rate

On a quarterly basis, the Wisconsin Department of Administration assesses the market rates on which the CWFP and SDWLP subsidies are based. The fixed 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 (loan). Direct questions about the market and interest rates to [DOAEIF@wisconsin.gov](mailto:DOAEIF@wisconsin.gov).

## Subsidy

The CWFP and 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. Learn about and view current market and interest rates at [dnr.wi.gov/aid/documents/eif/guide/interest.html](https://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](https://dnr.wi.gov/aid/documents/eif/guide/PF.html).

