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 wastewater, water-quality-related storm water, and drinking 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 permit.


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
- 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).
- Fixed interest rates on long-term loans (up to 30 years).
- Coordination of funds with other funding sources.
- Online system for notice of Intent to Apply (ITA) and Application submittals.
- Dedicated DNR loan project manager and construction management engineer.

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

Submit ITAs by 10/31/2022 deadline if seeking funding in SFY 2024 (07/01/2023 – 06/30/2024).
Environmental Loans Programs

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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.

<table>
<thead>
<tr>
<th>LOAN INTEREST RATE DETERMINATION</th>
<th>PERCENT OF MARKET RATE</th>
<th>≤ 20 YR TERMS</th>
<th>21-30 YR TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CWFP &amp; SDWLP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For eligible projects of municipalities not meeting the financial need criteria.</td>
<td>55%</td>
<td>2.035%</td>
<td>2.145%</td>
</tr>
<tr>
<td><strong>CWFP &amp; SDWLP</strong></td>
<td></td>
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</tr>
<tr>
<td>For eligible projects of disadvantaged municipalities meeting the following financial need criteria: &lt; 10,000 population; and ≤ 80% of Wisconsin MHI.</td>
<td>33%</td>
<td>1.221%</td>
<td>1.287%</td>
</tr>
<tr>
<td><strong>CWFP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For eligible projects of extremely disadvantaged municipalities meeting following financial need criteria: &lt; 1,000 population; and ≤ 65% of Wisconsin's MHI.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>CWFP</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>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.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>MARKET RATE</strong> (effective now thru 06/30/22)**</td>
<td>100%</td>
<td>3.700%</td>
<td>3.900%</td>
</tr>
</tbody>
</table>

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 adopts the resolution approving the financing agreement.


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.