

Environmental Loans Programs

Learn about the Environmental Loans programs and find guidance at 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.

- Implementation details: ss. 281.58 & 281.59 & 281.61, Wis. Stats., and chs. NR 162 & 166, Wis. Adm. Code.

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.

- **October 31** - CWFP & SDWLP Intent to Apply (ITA) deadline for the *following* state fiscal year funding cycle.
- **June 30** - SDWLP Application deadline for the *upcoming* state fiscal year funding cycle.
- **September 30** - 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 10/31/2024 deadline if seeking funding in SFY 2026 (07/01/2025 – 06/30/2026).

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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 drinking water, wastewater, and water-quality-related storm water infrastructure projects.

LOAN INTEREST RATE DETERMINATION	PERCENT OF MARKET RATE	≤ 20 YR TERMS	21-30 YR TERMS
CWFP & SDWLP For eligible projects of municipalities not meeting the financial need criteria.	55%	2.145%	2.255%
CWFP & SDWLP For eligible projects of disadvantaged municipalities meeting the following financial need criteria: < 10,000 population; and ≤ 80% of Wisconsin MHI.	33%	1.287%	1.353%
CWFP For eligible projects of extremely disadvantaged municipalities meeting following financial need criteria: < 1,000 population; and ≤ 65% of Wisconsin's MHI.	0%	0%	0%
CWFP 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%
MARKET RATE (effective 04/01/2024) <i>*MHI=Median Household Income</i>	100%	3.900%	4.100%

Market rate

On a quarterly basis, the Wisconsin Department of Administration assesses the market rates on which the CWFP and SDWLP subsidies are based. Effective April 1, 2024, the market rate for loans of 20 years or less will remain at 3.90% and the market rate for loans longer than 20 years and of up to 30 years will remain at 4.10%.

Subsidy

Most eligible project costs are funded at a percentage of the market rate, in accordance with ch. 281, Wis. Stats., and chs. NR 162 and 166, Wis. Adm. Code. The CWFP and SDWLP provide subsidy to buy down the market rate on loans to the reduced interest rates described in the table shown above. The fixed interest rate applied to the loan is based on the market rate in effect on the day the municipal governing body signs the financial assistance agreement.

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

Some 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 loan, thus reducing annual principal and interest payments.

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

