

Massachusetts Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, August 2018

Organization	Program (key words)	Repayment / Finance Charges
Massachusetts Department of Environmental Protection	Drinking Water State Revolving Loan Fund (DWSRF) (water)	Financial assistance is available for engineering, design, and construction of drinking water projects, including new wastewater treatment facilities. Loans are offered at a 2% interest rate.
	Clean Water State Revolving Loan Fund (CWSRF) (sewer)	
USDA Rural Development	Water and Waster Disposal Direct Loans and Grants (water, sewer)	Up to 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served.
	Water and Waste Disposal Guaranteed Loan (water, sewer)	Maximum guarantee is typically 90% of loan amount. Interest rates may be fixed or variable as negotiated between the lender and the borrower, subject to USDA approval. Up to 40 year payback period, based on the useful life of facilities financed.
	Water and Waste Disposal Predevelopment Planning Grants (water, wastewater)	The maximum amount is \$30,000 or 75% of the predevelopment planning costs. At least 25% of the project cost must come from the applicant or third party sources. In-kind contributions do not count toward this minimum.
	Special Evaluation Assistance for Rural Communities and Households (SEARCH) (water, wastewater)	Eligible Areas are rural areas not in a city or town and populations of 2,500 or less. Median household income must be below the poverty line/less than 80% of the statewide non-metropolitan median household income (based on latest Census data). Funds can be used on predevelopment planning costs, including feasibility studies for funding water or waste disposal projects, preliminary design and engineering analysis, technical assistance for development of application for financial assistance.

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USDA Rural Development	Emergency Community Water Assistance Grants (water)	Water transmission line grants up to \$150,000 for construction of waterline extensions, repairs in existing water distribution lines, and related maintenance. Water source grants up to \$500,000 for construction of new water source, intake and/or treatment facility.
National Rural Water Association	NRWA Revolving Loan Fund (water, wastewater)	<ul style="list-style-type: none"> • Reasonable, below market interest rate (currently 3%) and a maximum repayment period of 10 years • Straightforward application process and quick turnaround time (just a few days if documents are in order) • Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less • Emergency loans are 90-day no interest, with immediate turn around on applications • NRWA charges no administrative or processing fees
Rural Community Assistance Partnership (RCAP)	Communities Unlimited Water/Wastewater Loans (water, wastewater)	Terms up to 15 years
Department of Housing and Community Development, The Executive Office of Housing and Economic Development	Community Development Block Grant Program (CDBG) (water, sewer)	Eligible municipalities must have a population of under 50,000 and do not receive CDBG funds directly from the federal Department of Housing and Urban Development (HUD).
Rural Community Assistance Partnership (RCAP)	Communities Unlimited Water/Wastewater Loans (water, wastewater)	Terms up to 15 years

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Rural Community Assistance Partnership (RCAP)	Rural Community Assistance Corporation (RCAC) Environmental Infrastructure Loans (water, wastewater)	<p><u>Short-Term (1-3 Yrs.)</u></p> <ul style="list-style-type: none"> • Maximum of \$50,000 • Unsecured, Promissory Note only <p><i>For Pre-development:</i></p> <ul style="list-style-type: none"> • Maximum of \$350,000 • Normal term is one year • Unsecured, Promissory Note only • Technical assistance as necessary <p><i>For Construction:</i></p> <ul style="list-style-type: none"> • Maximum of \$3 million • Commitment letter for permanent financing from funding source • Loan term corresponding with construction period for loan portion <p><u>Intermediate Term (Up to 20 Yrs.)</u></p> <ul style="list-style-type: none"> • 5% interest first 10 years • Maximum of \$100,000 <p><u>Long-Term</u></p> <ul style="list-style-type: none"> • Fees – 1 percent loan fee, 1 percent guarantee fee on guaranteed portion of loan (generally 90 percent) • Interest rate – set at time of closing in accordance with the secondary market rate for the term of the loan
US Department of the Interior- Bureau of Reclamation	Drought Response Program: Drought Resiliency Projects (water, drought)	Applicants may request up to \$200,000 in Federal funding to plan or update a contingency plan and \$300,000 for a drought resiliency project. For both types of funding, a 50% non-Federal cost share contribution is required (including non-Federal funds, donations, contributions, and/or in-kind services). In limited cases, a cost-share reduction or waiver may be granted.
North American Development Bank (Border Environment Cooperation Commission)	Border Environment Infrastructure Fund (water, wastewater)	The cost of any project shall not exceed US\$30 million.

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California Infrastructure and Economic Development Bank	Infrastructure State Revolving Fund (water, wastewater)	Funding is available in amounts ranging from \$50,000 to \$25 million with loan terms for the useful life of the project up to a maximum of 30 years.