

# Iowa Water and Wastewater Funding Sources

Compiled by the Environmental Finance Center Network, October 2018

Organization	Program (key words)	Repayment / Finance Charges
Iowa Department of Natural Resources	Drinking Water State Revolving Fund (DWSRF) (water)	<p>Planning and Design: Interest rate of 0% for up to three years.</p> <p>Drinking Water/Source Water: A 0.5% origination fee is charged on the full loan amount for new DWSRF construction loans and source water protection loans, with a maximum amount of \$100,000. No origination fees will be charged on planning and design loans. A .25% servicing fee will be charged on construction loans and source water protection loans. Payment of the loan servicing fee is semi-annual with interest payments for all new SRF loans. Loan servicing fees are only charged on the principal amount disbursed during construction.</p> <p>Extended Financing and Disadvantaged Status: For borrowers designated as disadvantaged, the interest rate on extended term loans will be 1.75%. For non-disadvantaged borrowers, the interest rate will be 2.75%.</p>
	Clean Water State Revolving Fund (CWSRF) (sewer)	<p>Construction Financing: Interest rate of 1.75% for loans up to 20 years plus a .25% annual servicing fee. A 0.5% origination fee is charged on the full loan amount for new CWSRF construction loans. Extended financing for up to 30 years is available for some projects (disadvantaged communities at 2.75% interest plus a .25% service fee)</p> <p>Planning and Design: Interest rate of 0% for up to three years</p>
	On-site Wastewater Assistance Program (wastewater)	Loan amounts start at \$2,000. Terms are up to 10 years and no money required up front. There is a 3% fixed interest rate.
U.S. Environmental Protection Agency	Water Infrastructure Finance and Innovation (water, wastewater)	The maximum amount of WIFIA credit assistance to a project is 49 percent of eligible project costs. There is no fee to submit letters of interest. The final fee rule, Fees for Water Infrastructure Project Applications under WIFIA, 40 CFR 35.10080, was signed by EPA on June 19, 2017, and establishes the fees related to the provision of federal credit assistance under WIFIA.
USDA Rural Development	Water and Waste 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 Program (water, sewer)	Interest rates may be fixed or variable as negotiated between the lender and borrower and is subject to USDA approval. Up to 40-year payback period, based on the useful life of the facilities financed.

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<b>USDA Rural Development</b>	Water and Waste Disposal Predevelopment Planning Grants (water , wastewater)	Grant maximum of \$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.
	Emergency Community Water Assistance Grants (water)	Area to be served must also have a median household income less-than the state's median household income for non-metropolitan areas. Partnerships with other federal, state, local, private and nonprofit entities are encouraged.
	Special Evaluation Assistance for Rural Communities and Households (SEARCH) (water, wastewater)	Populations of 2,500 or less. Median household income below the poverty line or less than 80% of the statewide non-metropolitan median household income. Fund usage is for 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.
<b>Iowa Economic Development Authority</b>	Community Development Block Grant (CDBG) Program (water, sewer)	<ul style="list-style-type: none"> <li>• Communities with populations less than 1,000 can receive up to \$300,000</li> <li>• Communities with populations between 1,000 and 2,500 can receive up to \$500,000</li> <li>• Communities with populations between 2,500 and 15,000 can receive up to \$600,000</li> <li>• Communities with populations greater than 15,000 can receive up to \$800,000</li> <li>• Communities with populations less than 300 are limited to \$1,000 per capita, as are unincorporated areas of a county proposing direct service projects</li> </ul>
<b>National Rural Water Association</b>	NRWA Revolving Loan Fund (water, wastewater)	<ul style="list-style-type: none"> <li>• Reasonable, below market interest rate (currently 3%) and a maximum repayment period of 10 years</li> <li>• Straightforward application process and quick turnaround time (just a few days if documents are in order)</li> <li>• Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less</li> <li>• Emergency loans are 90-day no interest, with immediate turn around on applications</li> <li>• NRWA charges no administrative or processing fees</li> </ul>
<b>Alliant Energy Interstate Power and Light - Low Interest Energy Efficiency Loan Program</b>	Energy Efficiency for Local Government (energy efficiency)	Terms range from 0-60 months with the corresponding fixed APR between 0-6.9%. The longer the loan term, the higher the interest rate. For example, if you choose a 12-month-or-less loan, you may be able to borrow funds interest-free, while 60-month loans are at 6.9%. The term and interest rate are determined upon origination of the loan. The term and rate are not adjustable following closing.