



Ask Me Anything: Is Free Money Actually Free?

April 21, 2025



About Us

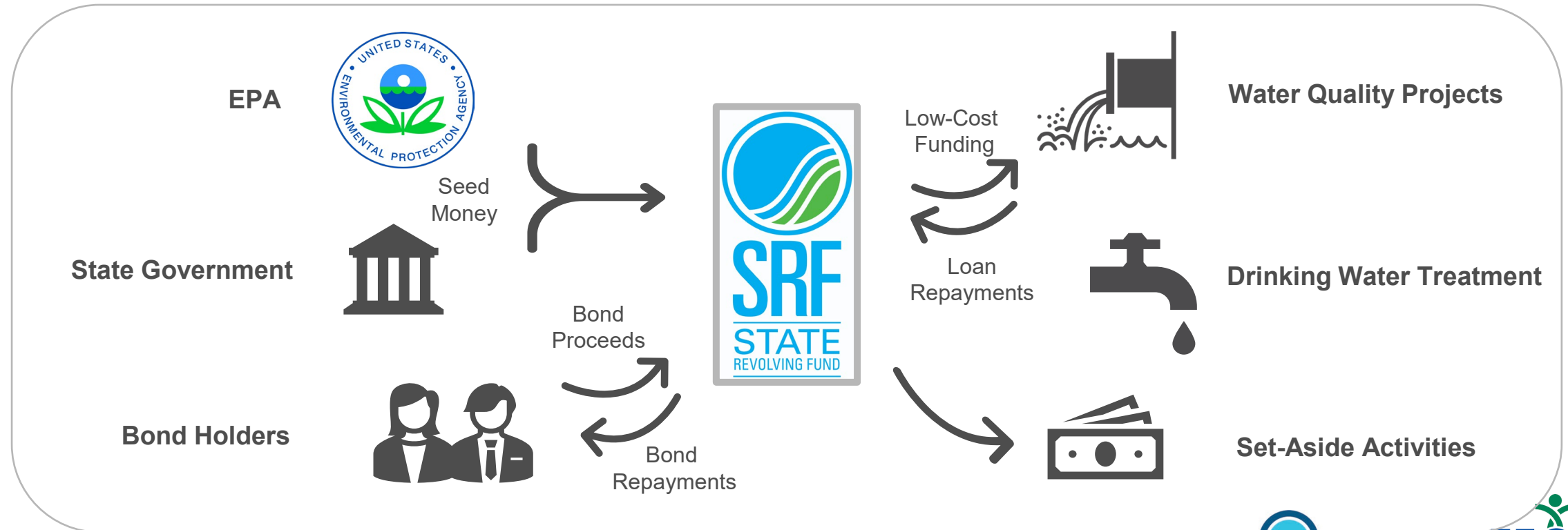
The **Environmental Finance Center Network (EFCN)** is a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and water infrastructure.

The EFCN works collectively and as individual centers to address these issues across the entire U.S, including the 5 territories and the Navajo Nation. The EFCN aims to assist public and private sectors through training, direct professional assistance, production of durable resources, and innovative policy ideas.



What are the SRFs?

- Low interest revolving loan program with subsidies for targeted projects and communities
- Money comes from EPA/Federal Government, state match, loan repayments, interest, bond proceeds



Want more SRF?

**For more information and to find past training
PPTs and summaries:**

<https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion/>

What is the correct answer to
any SRF question?

Every state is different.
It depends.

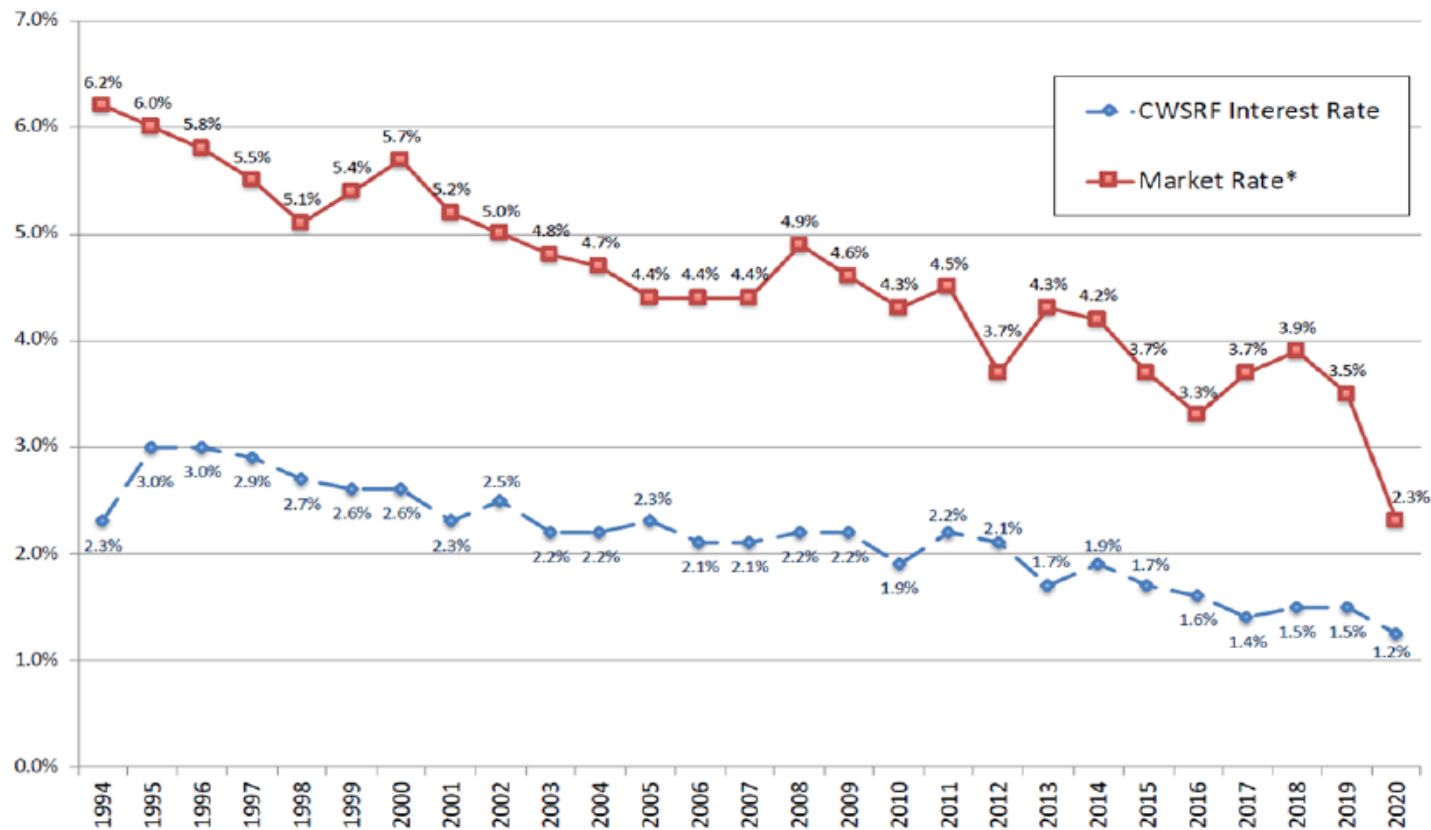
What is Free Money?

- There is no such thing
- Subsidized Interest Rates
- Extended Loan Terms
- Grants
- Additional Subsidy



Interest...ing

SRF Interest Rates vs. Market Rates



Typical SRF interest rates have been about half the market rate

*Market rate as measured by the Bond Buyer 20-Bond GO Index.



Additional Subsidy ≠ Free SRF Money

Principal Forgiveness

- A portion of the loan does not have to be repaid
- Effectively acts like a grant
- Most common in SRFs

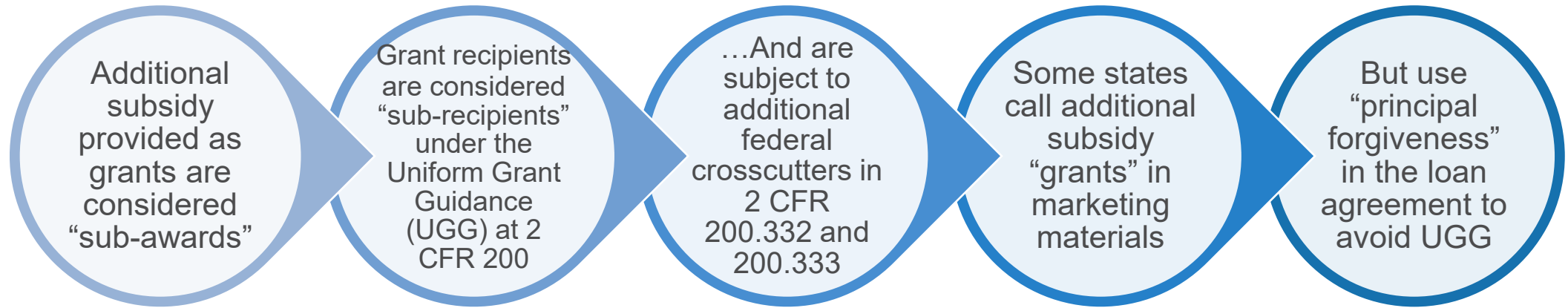
Negative Interest

- A small amount of the principal is written off with each payment
- Rarely used because concept is difficult to understand

Grant

- All or part of the project is awarded as a grant
- Some additional requirements for grantor/grantee

Grants ≠ Free Money



Grants = "Sub-Awards"



Why Isn't It 'Free'?

- Time
- Effort
- Uncertainty
- Highly competitive
- It's all our money



Upcoming Trainings

What is Environmental Reporting?

May 7, 2025 / 11:00-1:00 pm EST

*Is This Right? The Art of Setting User Rates

May 13, 2025 / 12:00-2:30 pm EST

Why Should my Utility Incur Debt?

May 19, 2025 / 2:00-4:00 pm EST

How do I Prepare for a Financial Review?

11:00-1:00 pm EST

This training is not part of the 'Ask Me Anything' series. To register, go here:
<https://efcnetwork.org/event/vt-online-training-is-this-right-the-art-of-setting-user-rates-%ef%bf%bc/>

For more information and to register visit:

<https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion/>

Community Finance Team

<https://www.quantifiedventures.com/community-finance>



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- Former DWSRF Project Manager for the State of Vermont

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