

Clean Water State Revolving Fund

Eligible Uses

Planning, Design, and Construction Assistance for Water Quality and Public Health Protection Projects

Overview (purpose, mechanisms)

Clean Water State Revolving Fund (CWSRF) programs provided more than \$5 billion annually in recent years to fund a wide variety of water quality projects including many types of nonpoint source, watershed protection or restoration, and estuary management projects, as well as more traditional municipal wastewater conveyance and treatment projects. CWSRF programs operate much like environmental infrastructure banks that are capitalized with federal and state contributions. Most CWSRF monies are loaned to communities, and loan repayments are recycled back into the program to fund additional water quality protection projects. The revolving nature of these programs provides for an ongoing funding source. CWSRF assistance may serve as non-federal and non-state match funds to meet FEMA matching grant requirements.

Key features of the program include:

- **Low Interest Rates, Flexible Terms**—In 2010, national interest rates for CWSRF loans averaged 1.9 percent, compared to market rates averaging 4.4 percent. For a CWSRF program offering this rate, a CWSRF-funded project would cost 21 percent less than projects funded at the market rate. CWSRFs can fund 100 percent of the eligible project cost and provide flexible repayment terms up to 20 years for loans and longer maturities under extended-term financing. The CWSRF can also provide other types of assistance, including the guaranty and purchase of local debt obligations, and additional subsidies in the form of principal forgiveness, negative interest and grants.
- **Significant Funding for Nonpoint Source Pollution Control and Estuary Protection**—CWSRF provided more than \$500 million in 2010 to control pollution from nonpoint sources and for estuary protection, more than \$3.5 billion to date.
- **Assistance to a Variety of Borrowers**—The CWSRF programs have assisted a range of borrowers including municipalities, communities of all sizes, farmers, homeowners, small businesses, and nonprofit organizations.
- **Partnerships with Other Funding Sources**—CWSRF programs partner with banks, nonprofits, local governments, and other federal and state agencies to provide the best water quality financing source for their communities.

Recipients

The CWSRF programs have helped a range of borrowers including municipalities, communities of all sizes, farmers, homeowners, small businesses, and nonprofit organizations.

U.S. Environmental Protection Agency

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Eligible Activities	As the program is managed largely by the states, project eligibility varies according to each state's program and priorities. Eligible loan recipients may include communities, individuals, citizens' groups, and nonprofit organizations. Prospective projects are rated and ranked through a state priority system. Projects selected for financial assistance in a given year are listed in an Intended Use Plan which is made available for public review.
Cost Sharing	Federal government grants and state matching funds (equal to 20 percent of federal government grants) provide funds to capitalize the CWSRF programs.
Application Requirements	As the programs are managed by the states, application requirements vary according to each state's rules. State programs can be accessed through the link below.

Additional Sources/Contact Information

EPA's Clean Water State Revolving Fund (CWSRF)
<http://www.epa.gov/owm/cwfinance/cwsrf/index.htm>