



FREQUENTLY ASKED QUESTIONS FOR WIFIA CREDIT ASSISTANCE JANUARY 10-APRIL 10, 2017 SELECTION ROUND

EPA prepared these Frequently Asked Questions (FAQs) and answers to assist prospective borrowers with preparing their WIFIA credit assistance letters of interest. Please review the [Notice of Funding Availability](#) (NOFA) and [WIFIA Program Handbook](#) when preparing your letter of interest. If the information the FAQs differs from the information in the statute, regulations, or NOFA, then the statute, regulations, or NOFA will take precedence. This document will be updated periodically as we receive and answer questions from prospective borrowers during this selection round.

To receive updates about the WIFIA program, sign up at <https://public.govdelivery.com/accounts/USAEPAOW/subscriber/new> and select "Finance and Funding."

LETTER OF INTEREST SUBMISSION

What is the deadline for letter of interest submission?

Prospective borrowers should submit letters of interest electronically to wifia@epa.gov by midnight in their respective time zone on April 10, 2017.

How do I submit my letter of interest?

Prospective borrowers should submit letters of interest electronically to wifia@epa.gov. If needed, electronic files on a USB drive or CD can be provided via express mail or courier delivery service to the attention of:

Director, WIFIA Program
US EPA William Jefferson Clinton West Building-room 6210 A
1301 Constitution Ave, NW
Washington, DC 20004

How do I know if my letter of interest was received by the deadline?

The WIFIA program will confirm receipt of your letter of interest via email to the primary and secondary contact listed on the letter of interest form.

How can I receive help in understanding and responding to the WIFIA program letter of interest?

EPA's WIFIA program will host a webinar for prospective borrowers that will provide a short overview of the WIFIA program and explain the process for submitting and evaluating WIFIA letters of interest. These identical webinars will be held twice on Thursday, February 9 at 2:00-3:30 pm ET and Tuesday, March 7, 2016 at 1:00-2:30 pm ET. To access the webinars, register in advance for either the [February 9](#) or [March 7](#) webinar. Following the webinars, EPA will post a copy of the presentation and a recording of the webinar on the [WIFIA website](#).

Due to the competitive nature of project selection, prospective borrowers should submit all inquiries in writing to wifia@epa.gov during the selection. In addition to answering the prospective borrower directly, the WIFIA program will compile the questions and their responses and include them in this FAQ.

Is there a fee for submitting a letter of interest?

No. EPA will not collect any fees until the application phase. EPA has structured the WIFIA fee schedule in this way so that an initial project review is conducted at no cost to the prospective borrower. Once a prospective borrower is invited to apply, it must submit the application fee with the application materials.

When do prospective borrowers need to pay the application and credit processing fees?

The application fee is paid when the prospective borrower submits an application (not a letter of interest) for the project. The application fee allows EPA to proceed with application review and hire necessary financial, engineering, and legal support services. At closing, EPA will charge a credit processing fee that is equal to the remaining cost (minus the application fee) for financial, engineering and legal services for the project.

For project costs, how much of a contingency should be included in the project?

A robust contingency is critical to EPA's credit evaluation, which is designed to ensure both that the project can be built and the loan repaid.

How does a new public-private partnership (P3) or joint venture provide documentation of its financial history?

Historical information and performance is an important part of EPA's credit evaluation. Even if the entity has been newly created, EPA will request the financial statements of the system it will be servicing and that will be generating revenue. For a pure P3 entity with no recourse and nothing behind it, EPA does not expect 3 years of financial statements. However, the prospective borrower should include strong revenue projections and a pro forma.

What types of documents are needed to establish public sponsorship for private entities?

Prospective borrowers must submit evidence that the public entity affected by the project supports the project. They may submit a certified letter, formal agreement, MOU, or other documentation for this purpose.

ELIGIBLE ENTITIES, PROJECTS, AND COSTS

Who is eligible to apply for WIFIA credit assistance?

The entity applying for WIFIA credit assistance must be one of the following:

- A corporation.
- A partnership.
- A joint venture.
- A trust.
- A federal, state or local government entity, agency, or instrumentality.
- A tribal government or consortium of tribal governments.
- A state infrastructure financing authority, as defined by the Clean Water Act and the Safe Drinking Water Act.

Can municipal governments come together and jointly apply?

Yes. Municipal governments can submit a single letter of interest of a project with a common security pledge.

Are territories of the United States or entities within such territories eligible for WIFIA assistance?

Yes. For purposes of WIFIA, territories of the United States and the District of Columbia are considered states. Therefore, any eligible entity located in a territory or the District of Columbia may receive WIFIA assistance.

Are non-profit entities eligible for WIFIA assistance?

Yes. Non-profit entities are typically organized as corporations or partnerships, both of which are defined as eligible entities.

Can a project include both water and wastewater infrastructure?

Yes, it can include both.

Does WIFIA cover all costs such as project design and feasibility studies?

Costs such as project design, feasibility studies and consulting fees are eligible project costs. If the costs are incurred prior to the closing of the WIFIA loan, EPA is required to credit those costs, including the

value of any integral in-kind contributions, toward the 51 percent of project costs to be provided by sources of funding other than the WIFIA. In this situation, these costs are not reimbursable expenses, however they are included in the calculation to determine the maximum size of the WIFIA loan. If these costs are incurred after closing of the WIFIA loan, they are fully reimbursable.

Can the total eligible project costs include the costs of financing the 51%?

Yes.

How do you define a small community water infrastructure project?

For the purposes of WIFIA, a small community water infrastructure project is one that is SRF-eligible and serves a community of not more than 25,000 individuals (not connections). For this purpose, the population of the community is determined by the population of the entire system which the project serves.

LETTER OF INTEREST EVALUATION

Is there a rank order to the project priorities?

No. Each of the four priority areas outlined in the [Notice of Funding Availability \(NOFA\)](#) have the same priority. The four priority areas are:

1. Adaptation to extreme weather and climate change including enhanced infrastructure resiliency, water recycling and reuse, and managed aquifer recovery;
2. Enhanced energy efficiency of treatment works, public water systems, and conveyance systems, including innovative, energy efficient nutrient treatment;
3. Green infrastructure; and
4. Repair, rehabilitation, and replacement of infrastructure and conveyance systems.

Are all selection criteria weighted the same?

No. The [Notice of Funding Availability \(NOFA\)](#) and [WIFIA program handbook](#), Appendix C outline the selection criteria weighting for this selection round.