

Environmental Loans Interest Rates

Learn about the Environmental Loans programs and find guidance at dnr.wi.gov/aid/eif.html

The Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP) provide subsidized loans to municipalities for eligible drinking water, wastewater, and water-quality-related storm water infrastructure projects.

LOAN INTEREST RATE DETERMINATION	PERCENT OF MARKET RATE	≤ 20 YR TERMS	21-30 YR TERMS
CWFP & SDWLP For eligible projects of municipalities not meeting the financial need criteria.	55%	2.145%	2.255%
CWFP & SDWLP For eligible projects of disadvantaged municipalities meeting the following financial need criteria: < 10,000 population; and ≤ 80% of Wisconsin MHI.	33%	1.287%	1.353%
CWFP For eligible projects of extremely disadvantaged municipalities meeting following financial need criteria: < 1,000 population; and ≤ 65% of Wisconsin's MHI.	0%	0%	0%
CWFP For the portion of eligible projects for receiving and storing septage and capacity for treating septage, and non-traditional pilot projects, e.g., water quality trading.	0%	0%	0%
MARKET RATE (effective 01/01/2024) <i>*MHI=Median Household Income</i>	100%	3.900%	4.100%

Market rate

On a quarterly basis, the Wisconsin Department of Administration assesses the market rates on which the CWFP and SDWLP subsidies are based. Effective January 1, 2024, the market rate for loans of 20 years or less will remain at 3.90% and the market rate for loans longer than 20 years and of up to 30 years will remain at 4.10%.

Subsidy

Most eligible project costs are funded at a percentage of the market rate, in accordance with ch. 281, Wis. Stats., and chs. NR 162 and 166, Wis. Adm. Code. The CWFP and SDWLP provide subsidy to buy down the market rate on loans to the reduced interest rates described in the table shown above. The fixed interest rate applied to the loan is based on the market rate in effect on the day the municipal governing body signs the financial assistance agreement.

- **View current interest rates at** dnr.wi.gov/aid/documents/eif/guide/interest.html

Some municipalities may also be eligible for additional subsidy in the form of principal forgiveness (PF), which is comparable to a grant because it reduces the size of the loan, thus reducing annual principal and interest payments.

- Learn about principal forgiveness at dnr.wi.gov/aid/documents/eif/guide/PF.html

