

CLEAN WATER STATE REVOLVING FUND (CWSRF)
DRINKING WATER STATE REVOLVING FUND (DWSRF)

DWSRF Guidance Document Number 20 **5-year Municipal Construction Loan for more than \$75,000**

Construction loans issued for more than 5 years and \$75,000 require the municipality to comply with Title 10, Chapter 53 requirements for bond approval and borrowing for public improvements and capital assets. However, when relatively small loan amounts are required, municipalities may wish to reduce the term of the loan to five years or less and obtain the necessary voter approval in accordance with Title 24, Chapter 53, Section 1786a(b).

Interest Rate Determinations

Interest rates determined in accordance with Guidance Document #10 will be used for the reduced loan term. As examples, if application of Guidance Document #10 results in a 20-year 0% interest loan, the interest rate for the 5-year loan would be 0%, or if the loan term and conditions were determined to be eligible for subsidy, the full amount of eligible subsidy will be applied. Municipalities will not be penalized for reducing the term of the loans.

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