
Proposed FFY16, FFY17, and FFY18 IUP Amendments

Additional Subsidy Changes

As required in federal law applicable to the FFY16, FFY17, and FFY18 grants, no less than 20% of the federal grant shall be provided in subsidy and an additional subsidy of up to 30% of the federal grant may be provided to disadvantaged systems. In the event actual subsidy is less than the minimum required, additional subsidy will be provided through targeted additional principal forgiveness for those most in need. Principal forgiveness will be granted to the project(s) with the lowest MHI via affordability criteria below until the maximum per system is achieved and the minimum subsidy requirement is met.

Affordability (Community MHI/SCMI \times 100 = X)	Principal Forgiveness
$X \leq 60$	\$350,000
$61 \leq X \leq 70$	\$250,000
$71 \leq X \leq 80$	\$150,000
$81 \leq X \leq 90$	\$100,000
$91 \leq X \leq 100$	\$50,000
> 100	\$0

FFY16 and FFY17

However, after the traditional disadvantaged subsidy (DisSub) is provided, the DWSRF has failed to meet the minimum requirement for both the FY16 and FY17 project priority lists. As a result, the DWSRF is proposing to provide an additional subsidy (AddSub) of 10% final disbursed loan value in principal forgiveness for all awarded loans and pending loan applications from the FY16 and FY17 lists. This 10% will be in addition to the traditional DisSub many loans are receiving. This will ensure the minimum subsidy requirement for each grant year is met.

FFY18 IUP

It is anticipated that the minimum subsidy required for the FFY18 will not be met using the traditional DisSub calculations. As a result, the DWSRF is proposing to provide 30% principal forgiveness AddSub of anticipated loan value. The total amount of AddSub available is

\$2,000,000 and is determined by complete applications on a first-come, first-served basis. Applicants eligible for traditional DisSub are also eligible for AddSub. For example, if an applicant's MHI is below the statewide average and qualifies for the max 40% principal forgiveness based on user rates greater than 1% MHI post project (DisSub), that applicant is also eligible for 30% principal forgiveness based on submittal of a complete loan application, provided there is AddSub remaining. Two applications qualifying for combined \$268,000 in principal forgiveness AddSub, were received prior to this notification and are automatically eligible. This leaves \$1,732,000 in available AddSub.

FFY19 IUP

Same as FFY18