



New York Drinking Water State Revolving Fund FINANCING OPTIONS

The DWSRF provides short-term and long-term funding for eligible projects. In addition to the traditional DWSRF interest rate subsidy for projects, the EFC has developed a second set of financing options for projects that are either:

- a) Not reachable for subsidized financing on the current Annual List in the DWSRF Intended Use Plan (IUP), or
- b) Need financing for eligible project costs above the subsidized amount available on the Annual List.

Please keep the following in mind:

- All projects should be listed on the IUP Annual List.
- No financings may be for a term in excess of the useful life of the project.
- The by-pass process may impact the availability of financing (see IUP for further information). A project below the subsidized funding line but ready for financing may be financed with the long-term market-rate or short-term market-rate options, which then may be automatically converted to interest-subsidized financing if a project becomes reachable following the by-pass process.

In addition to the financing options in the attached matrix, for projects that demonstrate a need for hardship financing (see the IUP), the DWSRF provides for reduced interest-rate financings (as low as interest-free) and, for qualified projects, grants, to the extent that funds are available.

Short-term financing with either the short-term market-rate or the short-term interest-free program is intended to provide a seamless transition for project financing (minimizing or eliminating the need for other non-SRF funding sources).



DWSRF Financing Options Matrix

Timing	Short-Term		Long-Term	
SRF Project Score	Above the subsidy line	Projects otherwise not eligible for subsidy	Above the subsidy line	Below the subsidy line
Option	Interest-Free	Market-Rate	Subsidized-Interest	Market Rate (other than Bond Guarantee)
Benefit	0% Interest (33 1/3% of the lesser of eligible project costs or IUP amount; 100% of the lesser of eligible project costs or IUP amount for Hardship Financings)	AAA/Aaa borrowing rates	AAA/Aaa borrowing rates, plus 33 1/3% subsidized interest rate for up to 30 years	AAA/Aaa borrowing rates
			Economies of scale in SRF bond issue	
Interest Rate Subsidy Timing	No interest expense	Based on MMD AAA one year rate plus EFC cost of funds	Available from closing	Not available initially; available in the year the project score is above a future funding line
Fees (as a % of SRF – Financed project costs unless otherwise noted)	None	0.6% program administrative fee	a. 1.0% direct expense b. 1.1% program administrative fee c. State Bond Issuance Charge	a. 1.0% direct expense
			c. 0.11% Annual administrative fee on outstanding balance	c. None initially; 0.25% annually on outstanding balance should recipient become eligible and receive subsidy
Availability	Available for up to 3 years or readiness for long-term financing, whichever is sooner, for a recommended minimum term of six months		Ongoing, may be financed pursuant to a leveraged financing schedule. Repayment term up to 30 years from long-term closing.	
Project Status	Approved engineering report, environmental review completed and other approvals as necessary for short-term financing.		Final costs known. Project approvals and permits obtained. and major contracts awarded.	