



NEW YORK CLEAN WATER STATE REVOLVING FUND

FINANCING OPTIONS

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

- a) not reachable for subsidized financing on the current Annual List in the CWSRF 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 subsidy line but ready for financing may be financed with the long-term market-rate, bond guarantee 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 CWSRF provides for reduced interest-rate financings (as low as interest-free) to the extent that funds are available.

Short-term financing is intended to provide a seamless transition for project financing, minimizing or eliminating the need for other non-SRF funding sources.

CWSRF Financing Options Matrix

| Timing | Short-Term | | Long-Term | |
|---|---|---|--|---|
| SRF Project Score | Above the subsidy line | Cat E or projects otherwise not eligible for subsidy | Above the subsidy line | Below the subsidy line or Cat E |
| Option | Interest-Free | Market-Rate | Subsidized-Interest | Market Rate (other than Bond Guarantee) |
| Benefit | 0% Interest (50% of the lesser of eligible project costs or IUP amount for Cat. A, B, C; 100% of the lesser of eligible project costs or IUP amount for Cat. D) | AAA/Aaa borrowing rates | AAA/Aaa borrowing rates, plus 50% 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 (municipal recipients only) |
| Fees (as a % of SRF – Financed project costs unless otherwise noted) | None | | a. 1.0% direct expense b. State Bond Issuance Charge | |
| | | | c. 0.25% 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; (5 for hardship); or upon 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. | |