

Loan Capacity FAQs

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

The following questions and answers came from a Wisconsin Department of Natural Resources (DNR) webinar held on February 8, 2024, to discuss loan capacity limitations and resulting impacts. This document may be updated in the future if additional questions arise. The webinar recording is available at dnr.wi.gov/aid/LoanCapacity.html.

Supplemental Applications for Financial Assistance

What is a supplemental application?

Any Clean Water Fund Program (CWFP) or Safe Drinking Water Loan Program (SDWLP) application submitted after the respective program's competitive application deadline for principal forgiveness (PF) are considered supplemental applications. Supplemental applications are not eligible for PF. The SDWLP PF application deadline is June 30, while the CWFP PF application deadline is Sept. 30.

Will supplemental applications be accepted in State Fiscal Year (SFY) 2025?

Our capacity to accept SFY 2025 supplemental applications will be largely dependent upon the number of applications that we receive by the competitive (PF) application deadline of each program. If the funding requested through SFY 2025 applications exceeds our loan capacity, then we likely wouldn't accept SFY 2025 supplemental applications, or we would need to tentatively accept them and place them on a funding waiting list.

Project Priority Evaluation and Ranking Formula (PERF)

Will PERF scores be used for SFY 2024 supplemental applications?

Supplemental applications are accepted on a first come, first served basis. PERF scores are only used for applications that are received by the competitive (PF) application deadline for each program.

Due to high demand, are you considering making adjustment to Principal Forgiveness or PERF scoring criteria for SFY 2025?

Adjustments to the PERF scoring criteria are not currently anticipated. Furthermore, most changes to principal forgiveness or PERF scoring criteria require careful consideration and proper notification to prospective applicants. The deadline to submit SFY 2025 Intents to Apply and PERFs was on October 31, 2023; therefore, any changes wouldn't go into effect until the SFY 2026 funding cycle. Any updates to our scoring criteria will be detailed in the annual Intended Use Plans (IUPs), available at dnr.wi.gov/aid/projectListsIUPs.html.

The principal forgiveness criteria were recently revised; no additional revisions are currently planned at this time.

Loan Closings

Have all projects on the SFY 2024 funding lists closed or are there still some that are pending/questionable to close?

Many SFY 2024 projects have yet to close. Sufficient funding is available to meet the funding requests of current applicants listed on the SFY 2024 Funding Lists, see dnr.wi.gov/aid/projectListsIUPs.html. Funding has been allocated to them, but they need to go through the typical eligibility review and loan closing process before financial assistance will be issued.

What are the loan closing deadlines for regular and supplemental applications?

- Funding deadlines are available under the Deadlines tab at dnr.wi.gov/aid/eif.html.

Loan Expenditures

Do funds for SFY 2024 need to be fully expended by June 30, 2024?

No. Funds do not need to be to be fully expended by the end of the state fiscal year.

What is the deadline for spending down loans once they are closed?

There is no deadline to spend down loans, however municipalities should submit invoices for reimbursement in a timely manner to avoid the issues related to complying with U.S. Department of Treasury reimbursement regulations. Generally, the reimbursement of municipal accounts from Environmental Improvement Fund loan proceeds must occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is made, or (ii) the date the project is placed in service.

Environmental Improvement Fund (EIF) Financial Management

Has the DNR considered leveraging the programs?

Starting in SFY 2016, Wisconsin's Clean Water and Drinking Water State Revolving Funds (SRFs) have been operating as leveraged programs with proceeds of State EIF revenue bonds. Debt service on the EIF revenue bonds is paid from SRF loan and investment loan repayments.

Is the state legislature aware of this loan capacity issue? Are they planning to do anything about it in the near term?

The DNR has not notified the legislature. The DNR and the Wisconsin Department of Administration are working together to request additional EIF bonding authority through the biennial budget process.

Contact Information

Direct questions about the Clean Water Fund Program (CWFP) to:

- Lisa Bushby, CWFP Coordinator, at Lisa.Bushby@Wisconsin.gov

Direct questions about the Safe Drinking Water Loan Program (SDWLP) to:

- Noah Balgooyen, SDWLP Coordinator, at Noah.Balgooyen@Wisconsin.gov

