

**WASTEWATER FACILITY CONSTRUCTION LOAN FUND  
STATE REVOLVING FUND  
(CLEAN WATER STATE REVOLVING LOAN FUND)  
ENVIRONMENT DEPARTMENT**

**PROGRAM PURPOSE:**

Assist local authorities to fund construction of wastewater facilities with low interest loans. This revolving loan program replaces the grant program which was phased out by the U.S. Environmental Protection Agency in 1988 and substituted with federal capitalization of state revolving loan funds.

**AT A GLANCE**

**Fund Availability**

Total program funding available - \$20 million.

No minimum or maximum amount awarded

**Eligibility**

- Counties
- Municipalities
- Special Districts
- Indian Tribes & Pueblos
- Other Local Governmental Units
- Non-profit 501(c)3
- Individual
- Private Business
- School Districts

**Type of Aid**

- Grant
- Cooperative Agreement
- Service Contract
- Loan
- Technical Assistance

**Deadline to Apply**

Applications may be accepted at any time, although the five-year priority list is typically updated annually during the summer.

**Eligibility**

Municipalities, counties, sanitation districts and Indian tribes/pueblos are eligible if they are capable of repayment of the loan. Low income communities may be eligible for a zero interest loan.

**Special Conditions**

Projects must meet the guidelines of the Federal Clean Water Act, as amended, and meet other federal and state requirements for EPA construction programs. Special conditions apply to obtain a 0 percent interest loan. Most loans are at 3 percent interest.

**Use of Funds**

Loan funds may be used for the planning, design and construction of wastewater treatment plants, interceptors and collection systems. Funds may also be used for water pollution control to include non-point source projects. Up to 100 percent of the costs can be covered.

## **Funding Availability**

### **Funding Potential**

The total amount available in the revolving loan fund varies but is approximately \$20 to \$30 million.

### **Range of Awards**

No limit to award amounts. Base interest rate is 3 percent. Some 2 percent, 1 percent or 0 percent interest loans are available to low income communities meeting special conditions.

### **Funding Cycle - Duration**

Applicants are approved after placement on a priority list. Meeting all review requirements may take up to six months before a loan can be executed. Funds are disbursed on a monthly reimbursement basis. Amortization schedules, payment amounts and due dates are provided at completion of construction. The maximum repayment period is 20 years.

### **Source of Funds**

The loan program is funded by federal funds through Environmental Protection Agency, state match through NM State Legislature appropriation, repayment of current loan obligations, and interest earnings on the fund.

## **Application Process**

### **Deadline**

Applications may be accepted at any time, although the five-year priority list is typically updated annually during the summer.

### **How to Apply**

Official applications are submitted to the Department at any time for placement on a five year priority list. If accepted, the applicant then works with Department staff to complete all requirements for construction design and environmental review. This process may take approximately six months. Applicants may remain on the priority list for five years.

### **Selection Criteria & Decision Authority**

Eligible applicants may be selected on a first come, first serve basis for available funds, provided they are on the priority list. Eligibility considerations include willingness of the community to accept a loan, local financial capability to service the loan, ability to maintain a replacement fund and to perform operation and maintenance, and readiness to proceed with the project. Compliance with federal and state guidelines is required.

## **Authorization**

Federal Clean Water Act, as amended in 1987, Title VI; National Environmental Policy Act; and Wastewater Facility Construction Loan Act Section 74-67-1 et seq., NMSA 1978

## **Related Programs**

Community Development Revolving Loan Fund - Economic Development Department; Small Cities Community Block Grant Program administered by DFA; New Mexico Finance Authority Programs; and special appropriations from the legislature.

**Information Contacts**

Richard P. Rose, Bureau Chief

New Mexico Environment Department/Construction Programs Bureau

1190 St. Francis Drive, Harold Runnels Building

P.O. Box 26110

Santa Fe, NM 87502

(505) 827-9691 Fax: (505)827-2837

Email: [Richard\\_Rose@nmenv.state.nm.us](mailto:Richard_Rose@nmenv.state.nm.us)

Websites: [www.nmenv.state.nm.us/cpb/cpbtop.html](http://www.nmenv.state.nm.us/cpb/cpbtop.html) or [www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)