

Office of Financial Assistance	EFFECTIVE DATE	PAGE
Guideline and Policy	March 3,2016	Page 1 of 2
SUBJECT: Refinancing Requests		

3/3/16

Purpose:

This guideline and policy is created to help educate borrowers from the Nevada State Revolving Fund Program's (The Program(s)) on what the Office of Financial Assistance (The Office) will need in order to consider refinancing outstanding loans.

Guideline:

The Office will consider refinancing loans from the Programs with the following guidelines:

1. Borrowers will need to assess the cost savings of refinancing, taking all financial and operational items into consideration. Items such as:
 - a. Review of internal debt management policy to verify current request would qualify
 - b. Cost of additional Bond Counsel for the formal resolution
 - c. Market risk of interest rates changing prior to closing
 - d. Time to complete refinancing and staff resources
 - e. Financial impact on users of the system (will it prevent a rate increase)
 - f. Financial impact on the system (will it allow for current or future asset planning)
2. For current Clean Water or Drinking Water SRF Loans, a formal request must be submitted in writing to the office of Financial Assistance outlining the reason for the borrowers desire to refinance. Borrowers should consider the need for the system and users in outlining this reason.
3. For refinancing outside debt, an application for refinancing along with all applicable attachments must be submitted to the office.

Policy:

For current Clean Water or Drinking Water SRF loans being considered for financing:

1. The Office will assess every request on a first come, first served basis and can deny an application at its discretion.
2. The loan must be fully drawn or de-obligated by the date of the request.
3. The first principal draw on the loan being refinanced must be five years old or older from the date of the request.
4. Loans can only be refinanced one time.
5. Terms and conditions of the refinancing will be negotiated in an amendment to the original contract.

For refinancing outside debt

1. The Office will assess every request on a first come, first served basis and can deny an application at its discretion.
2. The loan or bond must be fully spent by the date of the request.
3. The loan or bond must have been originally issued to fund a project that is fundable by the Program.
 - a. Fundable projects are outlined in the Clean Water Act or Drinking Water Act.
 - b. A fundable project must also meet the Federal SRF requirements, including but not limited to:
 - i. The Davis-Bacon Act for projects beginning construction after October 30, 2009.
 - ii. An Environmental Review
 - iii. The American Iron and Steel requirements for projects with engineering plans and specifications approved after January 17, 2014.

Office of Financial Assistance Guideline and Policy	EFFECTIVE DATE March 3,2016	PAGE Page 2 of 2
SUBJECT: Refinancing Requests		

- iv. All federal cross-cutter requirements for the applicable project.
- 4. The loan or bond must have been issued after July 1, 1993.
- 5. The borrower must not be a privately held entity.
- 6. The loan or bond can only be refinanced one time.
- 7. Borrowers must be added to the Programs priority list in the Refinancing category.
 - a. The Entity must be on the priority list prior to the execution of a contract.
 - i. For drinking water loans, the addition to the priority list requires a public notice period of 30 days and approval by the Board for Financing Water Projects. The board may, at its discretion, deny the borrower to be added to the priority list.
 - ii. For clean water loans, the addition to the priority list requires a public notice period of 30 days.
- 8. Drinking water borrowers must have their application approved by the Board for Financing Water Projects before a contract for refinancing can be executed.
- 9. Terms and conditions of the refinancing will be negotiated in a contract. All applicable service fees that relate to the Programs will apply.

For further information, please contact the Office staff at 775.687.9489 or visit our website at <http://ndep.nv.gov>.