


Office of Financial Assistance	EFFECTIVE DATE	PAGE
Guideline and Policy	September 14, 2018 	Page 1 of 2
SUBJECT: Clean Water State Revolving 30 year Loan Terms		

Purpose:

This guideline and policy is created to help educate borrowers from the Nevada State Clean Water Revolving Fund Program (CWSRF) on what the Office of Financial Assistance (OFA) will need in order to consider loan terms to borrowers.

Guideline:

1. **33 U.S.C. §1383 (d) Types of assistance** Except as otherwise limited by [State](#) law, a water [pollution](#) control revolving fund of a State under this section may be used only—
 - (1) to make loans, on the condition that—
 - (A) such loans are made at or below market interest rates, including interest free loans, at terms not to exceed the lesser of 30 years and the projected useful life (as determined by the [State](#)) of the project to be financed with the proceeds of the loan.
2. **NAC 445A.774 Conditions of financial assistance and repayment. ([NRS 445A.135](#))** Conditions of financial assistance and of any repayment of such assistance:
 1. Must be set forth in the agreement for financial assistance.
 2. Are subject to any requirements and limitations imposed by the United States Environmental Protection Agency.
3. In developing this policy, OFA carefully weighed the long term sustainability and safety of the CWSRF with needs of water systems to address increasing infrastructure needs. The methodology to calculate funds available have been determined with support from the programs financial advisor and industry standard.

Policy:

- 1) Before a loan term can be determined, the primary assets funded in the project must be analyzed by the office to determine their useful life.
 - a. Projects with primary assets that have a useful life of at least 30 years could be eligible for a 30 year loan term.

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- b. Projects with primary assets that have a useful life of less than 30 years would be eligible for a loan term that matches the primary assets useful life.
- 2) Funding available for 30 year term loans will be calculated on an annual basis at the start of the state fiscal year.
 - a. The program will account for beginning cash, changes in cash, and reserves for CWSRF debt service for the next fiscal year.
 - b. Any funds remaining at the end of the fiscal year that are available for future loans will be used as the basis of the calculation.
 - c. The program will allow up to 75% of the future funds remaining to be issued as 30 year terms for loans that will close within the current fiscal year. Any remaining funds will be required to be issued at 20 year terms within the current fiscal year.
- 3) The borrower's financial capacity, managerial capacity, and bonding authority will be analyzed to determine the borrower's ability to support a 30 year loan from the CWSRF.
- 4) The Office will assess every request for 30 year loan terms on a first come, first served basis and can deny an application for good cause.

For further information, please contact the Office staff at 775.687.9436, email us at ndep-ofa@ndep.nv.gov or visit our website at <https://ndep.nv.gov/water/financing-infrastructure>.