

Safe Drinking Water Revolving Loan Fund - Program Modification

IFA Board Meeting

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Overview

- Background
- Proposed Program Modifications
 - Subsidy (Principal Forgiveness)
 - Principal Forgiveness—Amendments to Increase Award
 - Loan Term Length
 - Interest Rate Offerings (MHI > State Average)
- IFA Board Action

Background

- Federal/State Partnership
- Drinking Water Infrastructure; Eligible Applicants
- Jointly Implemented—OHA/Business OR
- Annual Capitalization Grant & State Match

Background Cont.

- Set-asides & Fund Capitalization
- Letters of Interest Accepted Quarterly
- Program Requirements
- SIPP, DWSP

OHA Role

- Manage Set-asides
- Score and Rank Letters of Interest
- Apply for EPA Capitalization Grant
- Perform Technical and Managerial Capacity Assessment
- Perform Environmental Review

Business Oregon Role

- Work with Interested Communities
- Financial Capacity Assessment
- Draft Contracts & Manage Projects
- Manage Revolving Fund

Principal Forgiveness

- Minimum Incentive Required
- Maximum Limit not to be Exceeded
- Annual Variation/Cumulative
- Driver of Loan Pace

Principal Forgiveness –Cont.

	Grant Amount	Min %	ASR Minimum	Max %	ASR Maximum
2010	\$13,572,999	30%	\$4,071,900	100%-Setasides	\$9,789,350
2011	\$9,418,000	30%	\$2,825,400	100%-Setasides	\$7,511,825
2012	\$9,863,460	20%	\$1,972,692	30%	\$2,959,038
2013	\$8,421,000	20%	\$1,684,200	30%	\$2,526,300
2014	\$12,563,000	20%	\$2,512,600	30%	\$3,768,900
2015	\$12,480,000	20%	\$2,496,000	30%	\$3,744,000
2016	\$11,806,000	20%	\$2,361,200	50%	\$5,903,000
2017	\$11,705,000	20%	\$2,341,000	50%	\$5,852,500
			\$20,264,992.00		\$42,054,913.00

Principal Forgiveness – Cont.

- Recommended Principal Forgiveness Reduction
- Tracking; Annual Cap
- Amendments to Increase Award

Loan Term Length

- EPA Criteria—Loan Term Length
- Recommended Updated Criteria for 30 Year Loan Term Length
 - Affordability
 - Economically Distressed Counties
 - Governor Declared Emergencies

Loan Interest Rate

- Standard Rate Calculation
- Incentive Rate
- MHI Above vs. Below
- Recommended Updated Offering

Recommended Program Modifications

1. Reduce principal forgiveness offerings from a maximum of 1,030,000 to a maximum of \$530,000;
2. Increase 30 year loan term length availability for communities by considering affordability, economically distressed counties, and governor declared emergency; and
3. Update the loan interest rate approach for communities with a MHI greater than the state average by offering the standard rate (80% of 20-Bond Index) to those communities.

Questions?

Thank You