



NEW MEXICO FINANCE AUTHORITY

DRINKING WATER REVOLVING LOAN FUND

PROGRAM

The purpose of the Drinking Water Revolving Loan Fund (DWRLF) is to improve and protect drinking water quality and public health by providing community water systems in New Mexico with low-cost financial assistance in the construction and rehabilitation of necessary drinking water facilities.

The DWRLF is capitalized from US EPA grants and matched with state funds. Program responsibilities are divided between the New Mexico Finance Authority (NMFA) and the New Mexico Environment Department (NMED). The effect of the collaborative effort provides a more efficient use of state, federal and local funds and a more centralized and coordinated approach to water infrastructure financing.

ELIGIBILITY

As defined under the federal Safe Drinking Water Act funds from the DWRLF are available to Privately-owned and publicly owned community water systems and non-profit non-community water systems.

Private Cooperatives, who are considering a conversion to a Mutual Domestic Water Consumers Association organized under the Sanitary Projects Act, may contact the NMFA for more information.

To be considered for funding projects must be ranked on the NMED Comprehensive Priority List and be evaluated through the NMED Capacity Assessment process. The principal elements of the priority list ranking system are protection of

public health compliance, environmental criteria, affordability criteria; and capacity development criteria.

Community water systems that have been ranked on the Comprehensive Priority List, completed the Capacity Assessment, shown the technical, financial and managerial capacity to operate and maintain their water system, and have identified an eligible drinking water construction project are referred to the NMFA. The NMFA then initiates the DWRLF loan application process with the applicant.

The NMFA will further identify whether applicants are disadvantaged communities, based on the price of water service and the median household income for the water system. Disadvantaged communities may be eligible for a 0% interest rate loan, assistance with fees for preliminary engineering reports and environmental information documents, and extended loan terms.

INTEREST RATES

<u>Entities</u>	<u>Interest Rate</u>	<u>Entities</u>	<u>Interest Rate</u>
Public System - Disadvantaged	0%	Private System – Non-Profit	3%
Public System – Non Disadvantaged	2%	Private System – For Profit	4%

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