



MEMORANDUM

From: Rebecca Roose, Deputy Cabinet Secretary, New Mexico Environment Department
To: Water Quality Control Commission
Date: June 4, 2021
Re: Clean Water State Revolving Loan Fund Interest Rates SFY 2022

This memo sets forth the state fiscal year (SFY) 2022 interest rates for the Clean Water State Revolving Loan Fund program, which is also known as the Wastewater Facility Construction Loan program. New Mexico Administrative Code 20.7.5.14 provides that the Water Quality Control Commission (WQCC) may determine the base interest rate annually for the fiscal year. The base rate is defined as “the highest loan interest rate.” 20.7.5.7.C NMAC. The base rate applies to all borrowers that are not local authorities or state agencies. The current base rate of 2.375% will remain in effect unless the WQCC adopts a different base rate.

Interest rates and interest rate conditions for local authorities are determined by the New Mexico Environment Department (NMED) and reported to the WQCC annually at the beginning of the state fiscal year (SFY). 20.7.5.14.H NMAC. Local authorities are defined as “municipality, intermunicipal agency, county, incorporated county, mutual domestic water consumers association, sanitation district, water and sanitation district, or any similar district, recognized Indian tribe, or other issuing agency created pursuant to a joint powers agreement.” 20.7.5.7.N NMAC.

In accordance with 20.7.5.14.H NMAC, NMED sets the SFY 2022 interest rates and interest rate conditions for local authorities as follows:

- 1% when the per capita income of the local authority is greater than or equal to the per capita income of the State;
- .50% when the local authority’s per capita income is less than the per capita income of the State; and
- 0% when the local authority’s per capita income is less than the per capita income of the State and the user rate is greater than 1.82% of the local authority’s per capita income.

These rates and conditions are the same as the rates for SFY 2021. Finally, the interest rate for a state agency is established in the rule as the lowest rate above zero percent that is available to local authorities. 20.7.5.14.I NMAC. Therefore, the SFY 2022 interest rate for state agencies remains at .50%.

NMED will inform the public of the SFY 2022 rates through broad and targeted outreach, including social media posts, email to stakeholders and notifying subscribers to NMED’s public outreach platform, GovDelivery (subscribe at <https://public.govdelivery.com/accounts/NMED/subscriber/new>). In addition, the public can access the SFY 2022 rates on NMED’s webpage for the Clean Water State Revolving Loan Fund, <https://www.env.nm.gov/construction-programs/clean-water-state-revolving-fund-cwsrf/>.

Please direct questions or comments about this memo to Rhonda Holderman, Financial Manager for the Construction Programs Bureau, at Rhonda.Holderman@state.nm.us or 505-469-3365.