



Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

DEVAL L. PATRICK
Governor

TIMOTHY P. MURRAY
Lieutenant Governor

RICHARD K. SULLIVAN JR.
Secretary

KENNETH L. KIMMELL
Commissioner

MEMO

TO: Clean Water State Revolving Fund Borrowers and Consultants
From: Steve McCurdy, Director, MassDEP Municipal Services
DATE: January 17, 2012
Subject: Enhanced Loan Subsidy for Nutrient Management Projects

The Department announces the promulgation of regulations at 310 CMR 44, under which certain nutrient management projects financed through the Clean Water State Revolving Fund (CWSRF) program, may receive an enhanced state-financed subsidy on their interest rate. The regulations detail a program established by the Massachusetts Legislature pursuant to M.G.L. c. 29C, § 6. Qualified project will receive a zero percent (0%) interest rate on their loans. *The regulations and zero percent rate does not apply to the Drinking Water SRF program.*

The statute that provides for the zero percent interest rate is specifically restrictive, establishing thresholds that borrowers must meet to be eligible for the enhanced subsidy. Borrowers that are unable to meet the threshold will not receive the zero percent rates, though they will continue to qualify for the standard 2% CWSRF rate.

The Department has developed guidance for applicants seeking to qualify for these zero percent CWSRF loans. The guidance to applicants can be found at: <http://www.mass.gov/dep/service/regulations/srfrate.pdf>. The guidance document details the information that borrowers must present to MassDEP, to demonstrate that their project qualifies for the zero percent rate.

CWSRF Projects identified on the 2102 Intended Use Plan (IUP) will be able to apply for the 0% rate with their loan application. Any determination on the interest rate for those projects will be made before the loan is permanently financed. Once those projects are permanently financed, there will be no opportunity to revisit the loans or refinance them at the lower rate.

CWSRF Projects on the 2009-2011 Intended Use Plans will be able to retroactively apply to the Department for the 0% rate. Applications for those loans will be reviewed by MassDEP on a first come, first served basis. Any Borrower from the 2009-2011 Clean Water IUPs seeking the zero percent rates must submit a completed request, not later than February 1, 2013.