

## NEWS RELEASE

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## **State Revolving Fund Loan Rates Drop, Offering Iowa Communities the Most Affordable Financing Option for Water Quality Projects**

### ***Rate reduction to save Iowa communities an estimated \$28 million in interest***

Des Moines, Iowa – The Iowa Finance Authority and the Iowa Department of Natural Resources today announced that the Environmental Protection Commission has approved to lower the interest rates for most State Revolving Fund Construction loans from 3 percent to 1.75 percent, effective September 28, 2012. The State Revolving Fund has provided affordable financing to assist more than 500 Iowa communities and municipalities for the construction of water quality projects.

The reduction in the State Revolving Fund's interest rates is estimated to save \$150,000 in interest for a community with a \$1 million, 20-year SRF loan. This is a total combined savings of \$28 million for Iowa communities for the life of the loans.

"The State Revolving Fund's interest rates are now at an historical low," said Iowa Finance Authority Executive Director Dave Jamison. "It is our hope that these new, even lower rates will spur more communities to act now on improving their water quality infrastructure. Quality water is such a vital, basic need and an investment in ensuring a healthy water supply now will pay dividends for generations of Iowans to come."

"The Iowa Department of Natural Resources is proud to partner with the Iowa Finance Authority to provide Iowa communities with an affordable option to make water quality initiatives come to fruition," said Chuck Gipp, DNR Director. "The time to act is now and we look forward to assisting many Iowa communities and ultimately seeing outstanding water quality projects become a reality all across the state."

State Revolving Fund loans more than 10 years old will be eligible to be refinanced down to the new, lower interest rate. Cities will be notified after their 10-year anniversary about the process to reduce their interest rate.

Since the inception of the program, nearly \$2 billion in clean water and drinking water loans have been made available to assist 500 Iowa communities and have directly benefited nearly 2 million Iowans. The State Revolving Fund also offers programs to assist land and homeowners, farmers and others with water quality initiatives. More information is available at: [www.iowaSRF.com](http://www.iowaSRF.com).

*The Iowa Legislature created The Iowa Finance Authority, the state's housing finance agency, in 1975 to undertake programs to assist in the attainment of low- and moderate-income Iowans. The Iowa Finance Authority also administers the State Revolving Fund (SRF) in cooperation with the Iowa Department of Natural Resources. The SRF assists communities with the costs of upgrading or constructing local wastewater and drinking water infrastructure projects.*

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