



*Trouble Financing a water or wastewater project?
The CU Loan Fund for water and wastewater lending can help.*

COMMUNITIES Unlimited

Water and Wastewater Lending

Helping rural communities with their water and wastewater needs

Purpose

The purpose of the CU Loan Fund is to help small, rural communities and tribal nations:

- Meet compliance requirements for public drinking water and wastewater regulations
- Improve public health and system security
- Extend service to new customers or improve service to existing customers
- Create opportunities for economic development

Eligibility

Nonprofit corporations or local government entities may borrow if they:

- Serve a significant number of low-income customers
- Have a population of less than 20,000
- Have the ability to repay the loan with system revenues or provide evidence of permanent take-out financing
- Will accept no-cost technical assistance if it will improve the system's ability to repay the loan

Application Process

The application for the CU Loan Fund is available at www.communitiesU.org/apply-for-a-loan. Click on "Rural Community Water & Wastewater System Financing." The application is the second bullet point.

If you need assistance in completing the application, complete the "Contact Us" form or call 479.443.2700. You will be connected with a Technical Assistance Provider.

Once the application and supporting documentation are provided to CU:

1. You will discuss the project with a Technical Assistance Provider and a Loan Officer.
2. The Director of Lending and Loan Committee will review your application package and make a decision promptly.
3. If approved, a commitment letter will be sent detailing the terms and conditions of approval.
4. Closing of the loan will be scheduled at the convenience of the water/wastewater system.

Products

The CU Loan Fund offers flexible products to meet your community's needs, including:

- Interim financing
- Construction loans and system improvements
- Equipment loans



RATES AND TERMS - WATER & WASTEWATER LOANS

Loan Terms And Conditions

- Loan Amount: Maximum of \$750,000*
- Maturity: Maximum of 15 years*
- Security: Pledge of System Revenues (typically)*
Security can be subordinate to existing debt
- Origination Fee: 1% of the loan amount*
- Other Costs: Third-party costs for UCC filing fees, etc.*

The following types of loans are available from CU:

- Fully amortizing loans with equal monthly payments
- Single payment (balloon) loans are paid at maturity, typically by take-out financing provided by other lenders
- Lines of credit for eligible borrowers with ongoing projects

Loan Maturity	Interest Rate	Origination Fee
3 years	3%, first 3 years	1%
4 to 5 years	3.5%, beginning year 4	1%
6 to 10 years	4%, beginning year 4	1%
11 to 15 years	5%, beginning year 4	1%

For example, if an amortizing loan has a maturity of 12 years, the payment amount will be calculated based on a 3% interest rate for the first three years. After 36 months, the rate of the note will increase to 5%, and the payment amount increased to account for the higher rate. This payment amount will continue until the loan is paid in full.

*NOTE: Communities Unlimited, Inc. reserves the right to adjust interest rates, terms, and fees from time to time to reflect current conditions and changes in the marketplace.