



*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*

#### **Products**

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

- *Interim financing*
- *Construction loans and system improvements*
- *Equipment loans*
- *Grant matching funds*

#### **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](http://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.*



# **RATES AND TERMS - WATER & WASTEWATER LOANS**

## **Loan Terms And Conditions**

<i>Loan Amount:</i>	<i>Maximum of \$750,000</i>
<i>Maturity:</i>	<i>Maximum of 15 years</i>
<i>Security:</i>	<i>Pledge of System Revenues (typically) Security can be subordinate to existing debt</i>
<i>Origination Fee:</i>	<i>1% of the loan amount</i>
<i>Interest Rate:</i>	<i>7%</i>
<i>Other Costs:</i>	<i>Third-party costs for UCC filing fees, etc.</i>

*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*

*\*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.*