**Section 365.250 Additional Subsidization**

a) The Agency may provide additional subsidization as provided in section 603(i) of the CWA or as otherwise prescribed by USEPA in the annual capitalization grant agreement.

b) Pursuant to section 603(i)(2) of the CWA, the Agency adopts the following affordability criteria.

1) To be eligible for additional subsidization under section 603(i)(1)(A)(i) of the CWA, a public loan recipient must:

A) have a service population of 30,000 or less, unless the loan applicant's median household income (MHI) is 70% or less of the statewide average; and

B) score at least 21 points based on the following criteria:

i) Median Household Income

|  |  |
| --- | --- |
| **Points** | **MHI as % of Statewide MHI** |
| 0 | Above 100% |
| 5 | 95-99.99% |
| 10 | 90-94.99% |
| 15 | 85-89.99% |
| 20 | 80-84.99% |
| 25 | 75-79.99% |
| 30 | 70-74.99% |
| 35 | 65-69.99% |
| 40 | 60-64.99% |
| 45 | 55-59.99% |
| 50 | 50-54.99% |
| 55 | 45-49.99% |
| 60 | 0-44.99% |

ii) Population

|  |  |
| --- | --- |
| **Points** | **Service Population** |
| 0 | Above 30,000 |
| 5 | 20,000-30,000 |
| 10 | 15,000-19,999 |
| 15 | 10,000-14,999 |
| 20 | 5,000-9,999 |
| 25 | 2,000-4,999 |
| 30 | 1,000-1,999 |
| 35 | 0-999 |

iii) Additional Criteria

|  |  |
| --- | --- |
| **Points** | **Additional Criteria** |
| 1 | Unemployment rate is greater than the statewide average unemployment rate by one percentage point or more |
| 4 | Decrease in service population greater than 5.0% in the last 5 years from the date of the loan application  |

2) The amount of additional subsidization provided under section 603(i)(1)(A)(i) of the CWA will be capped for qualifying public loan recipients and applied only to eligible projects costs as follows:

|  |  |
| --- | --- |
| **Points** | **Percent** |
| 0-20 | 0% |
| 21-40 | up to 15% |
| 41-60 | up to 30% |
| 61-80 | up to 45% |
| 81-100 | up to 60% |

c) Notwithstanding the additional subsidization caps in subsection (b)(2), the Agency may establish a base cap applicable to each loan recipient within its Intended Use Plan each year. The base cap shall be the same amount for each loan recipient receiving additional subsidization. In determining the base cap, the Agency must consider the following factors:

1) the amount of federal appropriation allocated to the Agency for additional subsidization;

2) the number of qualifying loan recipients;

3) the availability of equity in the State Water Revolving Fund while ensuring the fund operates in perpetuity; and

4) requirements established by USEPA.

d) The Agency shall prioritize public loan applicants who score at least 21 points under the affordability criteria in subsection (b), and shall award additional subsidization to loan applicants in the order that loan applicants have been issued a loan by the Agency pursuant to Section 365.410.

(Source: Amended at 42 Ill. Reg. 14442, effective July 20, 2018)