

**DRINKING WATER CAPITAL PROJECTS
ADDITIONAL SUBSIDY FUNDING ELIGIBILITY CHART
FINANCING for FFY 2026+ IUP / SFY 2028+ PROJECTS**

DRINKING WATER PROJECTS (Total DWSRF loan principal forgiveness and/or State Water Supply Grant per fiscal year per applicant not to exceed \$1.5 million)

Fund Source	System Size/Project Type	Disadvantaged Community ²	All Others (Non-Disadvantaged Community)
DRINKING WATER STATE REVOLVING FUND PROGRAM	SMALL SYSTEM ¹	+ Up to 50% of loan amount as SRF loan principal forgiveness; maximum \$1.5 million per fiscal year per applicant + Balance of SRF loan @ 25% of Market Interest Rate with up to 40-year term (based on useful project life)	+ Up to 100% as SRF loan (no SRF loan principal forgiveness) + SRF loan @ 50% of Market Interest Rate with up to 30-year term (based on useful project life)
	LARGE SYSTEM	+ Up to 25% of loan amount as SRF loan principal forgiveness; maximum \$1.5 million per fiscal year per applicant + Balance of SRF loan @ 25% of Market Interest Rate with up to 40-year term (based on useful project life)	+ Up to 100% as SRF loan (no SRF loan principal forgiveness) + SRF loan @ 50% of Market Interest Rate with up to 30-year term (based on useful project life)
STATE WATER SUPPLY GRANT	SMALL SYSTEM ¹ NOT IN COMPLIANCE	+ Up to 87.5% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ Up to 25% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant
	LARGE SYSTEM NOT IN COMPLIANCE	+ Up to 50% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant
	SMALL SYSTEM ¹ IN COMPLIANCE	+ Up to 50% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant
	LARGE SYSTEM IN COMPLIANCE	+ Up to 25% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant

¹ To qualify as a Small System, the project must benefit (serve) a current population < 10,000 AND that same benefitting (served) population must be responsible for the capital cost of the project.

² To be a Disadvantaged Community (DAC), either criteria a must be met OR at least 2 of the 4 criteria listed below as b thru e must be met:

- a) 50% or more of project cost or project scope serves, protects, or benefits an Environmental Justice or overburdened community as identified by Final EJ Score Percentile (Distribution Across Maryland) of 75 or more using MDE's Environmental Justice Tracking Tool.
- b) Project is physically located in and benefits a community with MHI less than 80% of State MHI
- c) Project is physically located in and benefits a community with poverty level greater than 110% of State poverty level
- d) Project is physically located in and benefits a community with unemployment level greater than 120% of State unemployment level
- e) Project is physically located in and benefits a community with change in population < -1.2%.

In addition to above, where the water/sewer (as applicable) user rate would need to (and subsequently does) increase by more than 20% to achieve financial capacity (as determined by MDE), the Owner may qualify for up to 25% of the loan amount as loan principal forgiveness (not to exceed \$1.5 million per fiscal year per applicant), with balance as SRF loan @ 25% Market Interest Rate with up to 40-year term (based on useful project life).