

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

WATER QUALITY PROJECTS

Fund Source	System Size/Project Type	Disadvantaged Community²	All Others (Non-Disadvantaged Community)
WATER QUALITY STATE REVOLVING LOAN FUND	PUBLIC SMALL ¹ SYSTEM (TREATMENT WORKS OR NON-TREATMENT WORKS)	+ 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 30-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)
	PUBLIC LARGE SYSTEM (TREATMENT WORKS OR NON-TREATMENT WORKS)	+ 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 30-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)
	PRIVATE SMALL ¹ OR LARGE SYSTEM (NON-TREATMENT WORKS)	+ Up to 100% as SRF loan (no SRF loan principal forgiveness) + SRF loan @ 25% of Market Interest Rate with up to 30-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)
BAY RESTORATION FUND WASTEWATER GRANT	ENR UPGRADE (MAJOR OR MINOR WWTP)	+ Up to 100% of eligible ENR costs as BRF Wastewater Grant	+ Up to 100% of eligible ENR costs as BRF Wastewater Grant
	IMPROVEMENTS TO EXISTING WASTEWATER SYSTEMS (e.g., CSO/SSO abatement and sewer rehab)	+ Up to 87.5% of project costs as BRF Wastewater Grant	+ Up to 87.5% of project costs as BRF Wastewater Grant
	SEWER EXTENSIONS TO CONNECT HOMES ON SEPTICS TO BNR/ENR WWTP	+ Up to 100% (max \$25,000) per existing home connected as BRF Wastewater Grant (up to 50% for household income >\$300,000)	+ Up to 100% (max \$25,000) per existing home connected as BRF Wastewater Grant (up to 50% for household income >\$300,000)
	NITROGEN REDUCTION USING BEST AVAILABLE TECHNOLOGY AT SHARED COMMUNITY SEPTIC SYSTEMS	+ Up to 100% per existing home connected as BRF Wastewater Grant (up to 50% for household income >\$300,000)	+ Up to 100% per existing home connected as BRF Wastewater Grant (up to 50% for household income >\$300,000)
	STORMWATER (MS4) PROJECTS BY LOCAL GOVERNMENTS WITH SYSTEM OF CHARGES	+ Up to 50% of project costs as BRF Wastewater Grant	+ Up to 50% of project costs as BRF Wastewater Grant
SUPPLEMENTAL ASSISTANCE GRANT	SMALL ¹ SYSTEM NON-ENR and NOT IN COMPLIANCE	+ Up to 87.5% of project cost as State grant; maximum \$1.5 million	+ Up to 25% of project cost as State grant; maximum \$1.5 million
	LARGE SYSTEM NON-ENR and NOT IN COMPLIANCE	+ Up to 50% of project cost as State grant; maximum \$1.5 million	+ No State grant
	SMALL ¹ SYSTEM NON-ENR and IN COMPLIANCE	+ Up to 50% of project cost as State grant; maximum \$1.5 million	+ No State grant
	LARGE SYSTEM NON-ENR and IN COMPLIANCE	+ Up to 25% of project cost as State grant; maximum \$1.5 million	+ No State 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).

BNR upgrade - technology capable of reducing nitrogen in wastewater effluent to not more than 8 mg/l (annual average).

ENR upgrade - technology capable of reducing nitrogen and phosphorus in wastewater effluent to not more than 3 mg/l and 0.3 mg/l, respectively (annual average).