



**ALABAMA RURAL
WATER ASSOCIATION**

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REVOLVING LOAN FUND

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What is the Revolving Loan Fund? The ARWA Revolving Loan Fund (RLF) was established with funds from the USDA Rural Business Service to provide financing to eligible utilities. RLF funds can be used by existing water/wastewater systems to finance short term costs incurred for equipment or other small capital projects.

Who is Eligible? Systems that are eligible include municipalities, authorities, non-profit corporations, and cooperatives with up to 25,000 in population for incorporated areas, and no population limit for unincorporated areas. Systems must be unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

What Are the Loan Terms?
Maximum repayment period is up to 7 years.

What Are the Loan Amounts?
Loan amounts may not exceed \$100,000.

What Is the Interest Rate? The program features attractive interest rates that are based on the current USDA Rural Utility Service interest rates. USDA interest rates are subject to change quarterly. All new applicants will receive the current quarterly fixed rate. Rates are fixed for the life of the loan.

What Are the Collateral Requirements?
At a minimum, a promissory note or comparable document authorized by the governing body is required. Additional security may be required if deemed necessary by the RLF administrators.

Other Program Guidelines:
RLF loans can finance up to 75% of the total project costs.

Borrowers must demonstrate sufficient cash flow to repay the debt.

Borrower is responsible for all closing costs and must pay a one-time processing fee of 1.5% of the loan amount.

Filing Applications: The application process is a simple one and ARWA can provide assistance if needed. Application forms are available on ARWA's website, www.alruralwater.com, or can be mailed or sent electronically. ARWA will provide a quick turn-around on completed applications.

Contact the ARWA today for your financial needs or apply online – www.alruralwater.com