

# Vermont DEC CWSRF and DWSRF COVID-19 Response FAQs

## LOAN PROCESSING

*Are loans still be being processed right now?*

Yes, absolutely. Currently, all SRF staff including technical engineering staff in both programs are remotely working and fully functional. There should be no anticipated slow down in the processing of loan applications.

*Is there a delay in the DEC approval process?*

Likely, no. All staff are working remotely and have complete access to tools needed for loan application processing. However, we will ask for your patience as getting accustomed to this all-remote process may present some challenges as we troubleshoot the process. We will commit to maintaining communication of any anticipated delays.

*Is there a delay at VBB or VEDA in the underwriting process?*

No. VBB and VEDA are equally functional and ready to serve in their administrative and underwriting capacity. Please feel free to reach out to them with any questions.

*Are you accepting hard copies of any documents including engineering plans, loan applications, or payment requests?*

In short, no. While there is a process for DEC to still receive mail, it presents an added internal challenge. Unless specifically directed by a DEC employee, please submit all documents electronically. If you need assistance with particular challenges, please do not hesitate to reach out to our team for troubleshooting. We will make every effort to be flexible in these situations.

When submitting pdf files to the CWSRF Program for plan review, please make sure that the plans are “flattened” by the pdf writer. Many plan pdf files we receive have not been flattened and as a result are too big to file or to make comments on, and cause our Adobe License to perform slowly or crash. Our review times are slowed by these problems. We have not been having similar issues with contract documents or specifications, so this may be related to AutoCAD generated pdfs. If this is not possible to do, please let us know and we’ll try to find an alternative approach.

*How quickly can I anticipate a loan processing time?*

In general, it takes about a week from when our project developers have received everything needed until a loan is approved and sent to our underwriting partners, either VBB and VEDA. From there, we generally estimate around 6-8 weeks for loan processing, though these timelines

are highly variable depending on your responsiveness to requests from our partners. We anticipate these general timelines to continue.

### **INTENDED USE PLAN (IUP)**

*How will the upcoming IUP development be affected?*

Fortunately all priority list applications were received prior to the pandemic situation, so the application submission process was unaffected. We had planned to release a draft IUP in early April. In order to allow staff to acclimate to the telework practices and to focus on more immediate COVID-19 responsiveness work, we made the decision to postpone the draft IUP release to May 1, 2020. The public hearing will be held June 18, 2020 at 10 a.m.

*How can I participate in the IUP development process?*

As we will be hosting a virtual public hearing on June 18, we have made several steps to provide additional opportunity to participate in the process. Once the draft IUP is released, we'll also post on our website the presentation we'll give on June 18. All entities in our mailing list will receive a direct email link to participate in the live public hearing. The hearing will also be recorded and posted on our website immediately following the public hearing.

Any comments or questions can be submitted during the virtual hearing or in writing before or after the hearing until the close of the public comment period, July 2, 2020.

*Will any delays affect the ability access the FFY20 capitalization grant?*

Technically, the SRFs have up to two years to apply for the federal capitalization grants. However, we have set a goal to move forward with our application in early June 2020.

### **LOAN REPAYMENT SUSPENSION**

*Do these loan repayment suspensions apply to CWSRF or DWSRF or both?*

These suspension apply to both programs. In general, any loans that begin with RF1, RF3, WPL, AR1 or AR3 are eligible for this suspension.

*What if I don't want my loan repayment suspended?*

Loan repayment suspension is completely optional. For VEDA's three month extension, all ACH billing will be suspended. If you would prefer to continue making payments during this period, please contact Nancy Gonnevillle at VEDA to discuss.

*Will this make the term of my loan extend an extra year? In other words, would a 20 year loan be extended to a 21 year loan (for VBB loans) or a 20 year loan be extended to 20 years and 3 months?*

No. The SRFs do not have the ability to extend loans longer than their term as loan terms are based a combination of affordability, federal, and state statute. For this reason, the suspended loan principal will still have to be repaid within the loan term. This result in the loan being re-

amortized over the remaining life of the loan. Your remaining loan payments will be higher as a result.

*If I choose not to make a payment during the suspension, how will I know how what my re-amortized loan repayment will be?*

For VBB loans, DEC can provide you that information. Please email [ANR.WIDFinancial@vermont.gov](mailto:ANR.WIDFinancial@vermont.gov)

For VEDA loans, please reach out to Nancy Gonneville for this information.

*Can I make a loan repayment later, after I have waived my scheduled payment due date?*

Loan repayments can be made at any time and there are never prepayment penalties. However, you will not receive another bill until your repayments resume. If you would like to make an additional mid-cycle payment, please reach out the Nancy Gonneville for VEDA loans or to [ANR.WIDFinancial@vermont.gov](mailto:ANR.WIDFinancial@vermont.gov) for municipal loans (serviced by VBB).

*Will administrative fees still be accruing during this suspension period?*

No. There will be no accrual of administrative fee or interest during this time period and this will result in an overall savings for the loan. The repayment resumption will restart the accrual of principal and fees.

*What if I am concerned that I won't be able to afford my loan repayment after the suspension?*

If you have any affordability concerns, please contact DEC at [ANR.WIDFinancial@vermont.gov](mailto:ANR.WIDFinancial@vermont.gov) . We will work with each loan to find potential solutions.

## **Payment Request**

*Are there any delays in the PR processing times?*

There are no delays in the PR processing times. Our team members and process and review these invoices quickly adapted this work to 100% remote work.

*Where do I submit PRs during this time?*

Consistent with pre-pandemic process, please continue to submit PRs to [ANR.SRFPayments@vermont.gov](mailto:ANR.SRFPayments@vermont.gov) .

*Will I still be able to submit hard copies of invoices and the PR form?*

No. As noted above, we will not be accepting or processing hard copies of PR forms or invoices. If you have difficulty with a submission, please reach out to us for assistance.

## **FEDERAL REQUIREMENTS**

*How are the SRFs conducting meetings that were previously done face-to-face?*

DEC has the ability to use either Skype or Teams to hold virtual meetings. This can easily be facilitated by your DEC contact. All SRF staff members' phones dial directly to a cell phone, so

the previous contact phone numbers can also be utilized. Until further notice, SRF staff will not hold any face-to-face meetings.

*Are there any SRF-related meetings that still require face-to-face meeting and, thus, are not possible during the Governor's Stay Home, Stay Safe order?*

In general, all meetings can be held virtually. In the case that any communication requires visual inspection, SRF staff will work directly with entities to facilitate communication or observation through virtual means or postpone the activity until permissible.

### **SPECIAL ACCOMMODATION REQUESTS**

*What are ways that CWSRF and DWSRF could alleviate economic burden on owners of water infrastructure?*

SRFs have a number of tools they can use to ease economic burdens on public water systems and municipal wastewater systems. These can include create restructuring of loans similar to the loan repayment suspension, reduction of administrative fees, balloon payments, or refinance existing non-SRF loans for a lower annual payment. We are exploring many of these options and will continue to take comments from our borrowers and develop flexible terms and conditions to ease these impacts.

*Can SRF funds be used to pay operation and maintenance costs, including chemical addition, utility costs, salaries, etc.?*

No. By statute, the CWSRF and DWSRF construction funds may only be used for capital expenses and related planning and design activities. The CWA states that the CWSRF may provide assistance “to any municipality or intermunicipal, interstate or State agency for the construction of publicly owned treatment works” (33 USC §1383(c)(1)). The SDWA specifically prohibits the use of any DWSRF funds (whether on the construction loan fund or the set-asides) for “monitoring, operation, and maintenance expenditures”

*What if I have a loan for a project that will experience delays due to COVID-19?*

If you haven't already done so, please reach out to your SRF contact. This notification can always start through the [ANR.WIDFinancial@vermont.gov](mailto:ANR.WIDFinancial@vermont.gov) email address.

*What happens if I can't hold a bond vote or make a construction application before the June 30, 2020 deadline?*

The draft FFY20 IUP will propose to amend the FFY19 IUP to allow project time to apply for their loans. Any FFY19 projects will have until December 31, 2020 to apply and receive additional subsidy provisions under the FFY19. If you're not sure about your project's timing, please reach out to your SRF contact.

### **Potential Stimulus Preparation**

*Is there going to be a federal stimulus?*

It is unclear at this time. There have been a number of inquiries and discussion at the federal level suggesting this is a possibility. DEC will communicate to our constituents when more information is made available.

*What can we do to prepare a list of potential project needs?*

Both CWSRF and DWSRF will have their current priority lists and an additional list of projects that are in various stages of planning called a forecasted lists. These lists can serve as a basis for potential project need. However, depending on the timing and conditions of any additional funding availability, the programs would very likely solicit additional project need.

*When will we know more?*

This is unclear. Though there are several channels inquiring into state infrastructure needs, a timeline or confirmation of any federal stimulus is still unknown. DEC will communicate to our constituents when more information is made available.

*What recommendations have the SRFs made for a potential stimulus?*

Vermont's SRFs are members of the Council of Infrastructure Financing Authorities (CIFA). CIFA has advocated for a number of considerations for a potential stimulus. More information can be found here: <https://www.cifanet.org/coronavirus>

*Do I have to have a list of shovel-ready projects?*

It is unclear yet whether we'll have a stimulus at all so it's too early to know whether this will be necessary. However, given the special considerations of the COVID-19 impacts, CIFA and Vermont SRFs will continue to advocate for infrastructure development at all stages, including preliminary engineering, feasibility, and design work. If the programs receive notification of project list needs, we may reach out to our constituents for more information. In that case, capital plans or asset management plans may assist in this development.