

## **SRF Construction Loans For Wastewater, Storm Water and Drinking Water Infrastructure**

During the planning and design phase of the project, the borrower will be working with their municipal/financial advisor. They will be reviewing outstanding debt, current and proposed rates and budgets.

The SRF Construction Loan application should not be filled out until after bids have been received. Loan applications are available on the internet at [www.iowasrf.com](http://www.iowasrf.com). Information requested on the application includes financial information that is to be prepared by your municipal/financial advisor.

SRF staff will send information to the borrower about closing the loan.

- contact bond counsel -- a public hearing and resolution are required by the borrower or system to enter into a loan agreement, bond counsel has standard forms
- ACH form
- disbursement process (see below)

After the borrower awards the bid for the project, copies of the bid documents must be sent to SRF. DNR project engineers will determine eligible expenses from the documents.

SRF sends award concurrence to borrower.

The borrower works with its bond counsel to pass the required resolutions, hold the public hearing and sign the SRF loan document. SRF staff will coordinate with bond counsel to sign SRF loan documents and execute the loan.

SRF staff sends borrower a disbursement request form with instructions.

### **Disbursements**

Disbursements are made weekly electronically via ACH.

The borrower will send the completed disbursement request and corresponding invoices to SRF. Disbursement requests and invoices should be emailed.

SRF reviews disbursement requests. Disbursements are checked against eligible expenses. If there is a discrepancy or questions arise, SRF will contact the DNR project engineer and the borrower.

Change orders -- DNR project engineer will verify acceptable expenses and notify SRF of the change. A change order that increases the amount of the contract will not be reimbursed until the change order has been approved.



## **Final Disbursement and Closeout Documentation**

When the final disbursement requisition is submitted, the following must accompany the request prior to final fund disbursement:

1. Signed & certified change orders not previously approved by the Department of Natural Resources (DNR) – submit directly to DNR for review and approval.
2. Each Contractor’s signed Final Pay Request, showing no retainage (or provide evidence that retainage has been released).
3. Written Notice of Works in Operation, Owner Acceptance & Certification of Project Completion
4. Final Disadvantaged Business Enterprise Report
5. Final Davis-Bacon Compliance Report
6. Final Project Close-Out: American Iron and Steel Self-Certification

SRF sends the final disbursement after receiving all final documents. The final loan certificate and a final debt service schedule will be generated after the final disbursement. Borrower signs final loan certificate and returns to SRF.

## **Loan Servicing**

Invoices are sent to borrowers semiannually – most payments are due on December 1st and June 1st. Loan payments are made electronically via ACH.

Application forms are available at [www.iowasrf.com](http://www.iowasrf.com)

*For more information, contact:*

SRF Program Staff  
[waterquality@iowafinance.com](mailto:waterquality@iowafinance.com)  
(515) 452-0400