



# New Jersey Infrastructure Bank

## SFY2020

### The Infrastructure Bank

Enhancing infrastructure is vital to New Jersey's health and economy. To alleviate the significant investment required to sustain and improve the State's aging infrastructure systems, the I-Bank offers low-cost financing for Transportation and Water Quality infrastructure projects. The I-Bank administers two financing programs. The I-Bank's NJEIT Department partners with the NJDEP to jointly administer low cost loans through the NJ Water Bank for environmental projects. The I-Bank's NJTIB Department partners with NJDOT to jointly administer low cost loans through the NJ Transportation Bank for transportation projects.

### The Water Bank

The NJ Water Bank is a nationally recognized infrastructure financing program. The Water Bank finances environmental projects that conserve water, improve public health, reduce stormwater and flooding, and provide open space for public enjoyment and a better quality of life.

### The Transportation Bank

The NJ Transportation Bank provides financing to local government units (counties, municipalities, and regional transportation authorities) to finance the costs of local transportation projects that are not otherwise covered by grants from NJDOT's Local Aid programs. The Transportation Bank received its initial round of appropriations late in SFY2018 and issued its first loans in the first half of SFY2019.

### SFY2020 I-Bank Program Highlights

#### Rolling Applications - Both Programs

Submissions are accepted **ANY** time of the year with no application deadlines. Construction loan closings are individually scheduled with applicants upon a determination of eligibility and availability of funds within as little as three weeks from submission of financial information. After construction completion, there are two opportunities for long-term financing each year.

### Short-Term Loans - Both Programs

Short-term construction loans are issued for up to two years to finance environmental planning, engineering and design costs up for to three full fiscal years for construction activities, for a total of up to five years of short-term financing. For SFY2020, most borrowers will receive a short-term loan that is a combination of 0% interest and the I-Bank's market rate.

### Long-Term Loans - Both Programs

The maximum loan term is the lesser of a project's useful life and 30-years for traditional water projects, or 45-years for CSO projects and the lesser of a project's useful life and 31-years for Transportation Bank loans. For SFY2020, most borrowers will receive a long-term loan that is a combination of 0% interest and the I-Bank's AAA market rate.

### College & University Loans - Water Bank

Public and Private Colleges and Universities are eligible to receive Water Bank funding for non-point source pollution projects to help address water quality and stormwater management concerns.

### Principal Forgiveness Opportunities (Water Bank Loans Only)

#### Nano Loans **50% PFL**

Small drinking water systems serving < 10,000 customers will receive 50% interest-free DEP funds and 25% I-Bank market rate funds for first \$1 million of project financing.

#### CSO Green Infrastructure **50% PFL**

Combined Sewer Overflow (CSO) projects utilizing green infrastructure are eligible for 50% principal forgiveness, 25% DEP interest-free financing and 25% I-Bank market rate financing for up to \$3M of project costs. Project costs over \$3M are funded at 75% interest-free DEP funds and 25% I-Bank market rate funds. Costs above \$10M will be financed at 50% DEP interest-free funds and 50% I-Bank market rate funds.

#### CSO Grey Infrastructure **50% PFL**

CSO abatement projects are eligible for up to 50% principal forgiveness, 25% DEP interest-free and 25% I-Bank market financing. There is a \$1M cap of principal forgiveness per applicant. Project costs between \$2M and \$10M will be funded at 75% interest-free DEP financing and I-Bank funding at market rate.

#### Barnegat Bay **50% PFL**

Stormwater and non-point source projects in the Barnegat Bay Watershed are eligible for 50% principal forgiveness, 25% DEP interest-free financing, and 25% I-Bank market rate financing for the first \$2M. Any remaining costs are financed equally with interest-free DEP funds and I-Bank market rate funds.

#### Lead Service Line Replacement **90% PFL**

Drinking water systems in communities with lead service line replacement projects whose median household income (MHI) is less than the MHI of their county are eligible for 90% principal forgiveness, with the remaining 10% offered as a DEP interest-free loan. There is a \$1M, \$5M or \$10M cap for systems of ≤ 10,000, > 10,000 or > 100,000 respectively.

#### Asset Management **100% PFL**

Small Clean Water systems (population equal to 10,000 or less) are eligible for 100% principal forgiveness up to \$100,000 for the development and implementation of asset management programs that lead to a capital project of at least \$250,000 financed through the Water Bank.

### Contact us

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Transportation Bank	Short-Term (ST) Loan Program		
Loan Type	Max Term (not to exceed useful life)	Interest Rate	Fees/Notes
Construction	3 Fiscal Yrs + 2 Yrs for P&D	1.5% - 3% (estimated)	2% I-Bank application fee; (0.15% per annum servicing fee beginning at long-term take out). Short-term interest rate may be reset, to account for market conditions.

Water Bank	Short-Term (ST) Loan Program			
Loan Type	Max Term	Interest Rates		Fees/Notes*
		I-Bank AAA	DEP: 0%	
Construction	5 Fiscal years	0%-25%	75%-100%	Fees: Standard DEP Fee <sup>1</sup> ; No I-Bank fee.
CSO Long-Term Control Planning & Design	10 Fiscal years	0%	100%	Fees: Standard DEP Fee <sup>1</sup> ; No I-Bank fee.
SAIL (Disaster Relief)	3 Fiscal years	0%-25%	75%-100%	Fees: No DEP Fee or I-Bank fee. Borrowers are responsible for payment of outside engineering costs, up to 2.5% of project costs.

Long-Term (LT) Loan Program							
Loan Type	Max Term (not to exceed useful life)	Loan Limitations	I-Bank Bonds (AAA Market Rate)	Dep Loan (Interest Free)	DEP (Principal Forgiveness)	Total Available Principal Forgiveness Funds	Fees/Notes*
Clean Water (CW) Base Program	30 Years		50%	50%	0%	\$0	Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> ; and Standard COI fee <sup>3</sup> .
CW Barnegat Bay	30 Years	First \$2M Above \$2M	25% 50%	25% 50%	50% 0%	\$6M	Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> . Capped at \$2million per sponsor.
CW CSO Abatement - Green Infrastructure	30 Years	First \$3M \$3-6M >\$10M	25% 25% 50%	25% 75% 50%	50% 0% 0%	\$12M	Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> . Capped at \$3million per sponsor.
CW CSO Abatement	30 years	\$1M \$2-10M >\$10M	25% 25% 50%	25% 75% 50%	50% 0% 0%	\$10M	Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> ; and Standard COI fee <sup>3</sup> .
CW Brownfield Redevelopment	30 Years		75%	25%	0%		Fees: Either Standard DEP Fee <sup>1</sup> or Borrowers responsible for payment of third party engineering costs; Standard I-Bank Fee <sup>2</sup> .
CW Coastal Community Water Quality Restoration	30 Years	<\$5M >5M	25% 50%	25% 50%	50% 0%	TBD	Notes: \$2.5M committed to a potential project by Cumberland County Improvement Auth. Any amounts that remain unobligated at the end of SFY19, continue to be available for these purposes in SFY20.
CW Asset Management Plan Development; for Small CW Systems; populations <10,000	30 Years	First \$100,00 Above \$100,000	0% 50%	0% 50%	100% 0%	\$0.5M	Notes: No DEP fee. Only available to CW small water system borrowers serving populations of 10,000 or fewer for developing and implementing an AMP that results in a capital infrastructure project funded by the Water Bank with the principal amount not less than \$250,000. Capped at \$100K per sponsor.
Drinking Water (DW) Base Program - Publicly Owned Systems	30 Years		50%	50%	0%		Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> ; and Standard COI fee <sup>3</sup> .
DW Base Program - Privately Owned Systems	30 Years	First \$10M Above \$10M	75% 50%	25% 50%	0%		Fees: Standard DEP fee <sup>1</sup> ; Standard I-Bank fee <sup>2</sup> ; and Standard COI fee <sup>3</sup> .
DW Nano - Small DW Systems; populations ≤ 10,000	30 Years	First \$1M Above \$1M Public Above \$1M Private	25% 50% 75%	25% 50% 25%	50% 0% 0%	\$2M	Fees: Standard I-Bank fee <sup>2</sup> ; No DEP fee; No I-Bank COI fee.
DW Lead Service Line Replacement Systems of < 10,000 Systems of > 10,000 Systems of >100,000	30 Years	First \$1M First \$5M First \$10M	0%	10%	90%	\$30M	Fees: Standard DEP fee <sup>1</sup> ; and Standard I-Bank fee <sup>2</sup> . Notes: DW systems in communities whose median household income (MHI) is less than the MHI of their county and with lead service line replacement projects are eligible for 90% principal forgiveness, with the remaining 10% offered as a DEP interest-free loan. There is a \$1, \$5 or \$10M cap for systems of < 10,000, >10,000 or >100,000 respectively. Once the respective caps have been reached, the remaining loan amount would be financed at the corresponding base rate.
DW Small Systems Engineering Program	30 Years	\$500,000	0%	0%	100%	\$2.M	Notes: Assistance w/ engineering costs. Available to small DW Systems serving fewer than 500,000 persons.
DW Supplemental Loans (add'l funds for cost overruns)	See Fees/Notes						Fees: Standard DEP Fee <sup>1</sup> ; and Standard I-Bank Fee <sup>2</sup> . Notes: Term equal to original loan; No PFL.

\*50% of the standard DEP fee will be incurred and financed through the I-Bank at the time of ST loan closing. This amount will be refinanced into the LT loan at the time of LT loan closing.

<sup>1</sup> Standard DEP fee = 2% loan origination fee on total project costs.

<sup>2</sup> Standard I-Bank fee = 0.30% annual fee on original I-Bank loan amount.

<sup>3</sup> Cost of Issuance (COI) fee = 0.10% on the I-Bank loan amount payable at time of LT loan issuance.