Illustrative Lending Rate Memorandum | Oct 04, 2024

The Texas Water Development Board's Illustrative Lending Rates (ILR), shown as of the above date, assume level debt service, and are subject to change and availability of funds. Actual rates will vary depending on length, time of closing and structure. For Clean Water State Revolving Funds (CWSRF) and Drinking Water State Revolving Funds (DWSRF), actual rates will also depend upon the entity's corresponding rating. These rates are listed for comparative and marketing purposes only. Also included here are the 2023 State Water Implementation Fund for Texas (SWIFT) rates for the current funding cycle.

For assistance, please look up contact information for your Regional Team.

State Revolving Funds for Projects in the SFY 2024 Intended Use Plan

Clean Water State Revolving Fund - 20 Year Term

Equivalency CWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.19%	1.91%
AA	3.31%	1.99%
A	3.51%	2.11%
BAA	3.88%	2.33%

Non-Equivalency CWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.19%	2.07%
AA	3.31%	2.15%
A	3.51%	2.28%
BAA	3.88%	2.52%

Clean Water State Revolving Fund - 30 Year Term

Equivalency CWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.93%	2.36%
AA	4.05%	2.43%
A	4.19%	2.51%
BAA	4.47%	2.68%

Non-Equivalency CWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.93%	2.55%
AA	4.05%	2.63%
A	4.19%	2.72%
BAA	4.47%	2.91%

Drinking Water State Revolving Fund - 20 Year Term

Equivalency DWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.19%	2.07%
AA	3.31%	2.15%
A	3.51%	2.28%
BAA	3.88%	2.52%

Non-Equivalency DWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.19%	2.23%
AA	3.31%	2.32%
A	3.51%	2.46%
BAA	3.88%	2.72%

Drinking Water State Revolving Fund - 30 Year Term

Equivalency DWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.93%	2.55%
AA	4.05%	2.63%
A	4.19%	2.72%
BAA	4.47%	2.91%

Non-Equivalency DWSRF Estimated Rates

Rating	Market[1]	TWDB[2, 3]
AAA	3.93%	2.75%
AA	4.05%	2.84%
A	4.19%	2.93%
BAA	4.47%	3.13%

Table Legend

1. Market rates applicable to the State Revolving Funds utilize the 13th and 20th year MMD rates, converted to yield to maturity, for the corresponding rating to approximate 20 and 30-year terms, respectively.
2. TWDB rates utilize the 13th and 20th year MMD rates for the applicable credit rating, converted to yield to maturity, and reduced by a percentage subsidy as shown below, to approximate 20 and 30-year terms, respectively.

   ### Interest Rate Subsidies – All Ratings

Rating	Equivalency	Non-Equivalency
CWSRF	40%	35%
DWSRF	35%	30%

3. Origination fee (not applicable to principal forgiveness) is 1.75% for CWSRF or 2.00% for DWSRF.

For more information on CWSRF or DWSRF programs, click links below:

- https://www.twdb.texas.gov/financial/programs/CWSRF/
- https://www.twdb.texas.gov/financial/programs/DWSRF/

General Obligation Programs – Estimated Rates

Type of Funds	Terms	Market[1]	TWDB[2]	Difference
Development Fund (Tax Exempt)	20	3.96%	4.04%	-0.08%
Development Fund (Tax Exempt)	30	4.40%	4.46%	-0.05%
Development Fund (Taxable)	20	5.84%	5.81%	0.02%
Agricultural Loans (Taxable)	7	4.96%	4.20%	0.76%
EDAP (Tax Exempt)	20	3.96%	3.60%	0.36%
EDAP (Taxable)	20	5.84%	4.91%	0.93%

Table Legend

1. Market GO rates are calculated from sample level debt service schedules using the BAA-rated MMD tax-exempt and taxable scales, as appropriate.
2. TWDB GO rates are calculated from sample level debt service schedules using TWDB-adopted rate scales.