

## Illustrative Lending Rate Memorandum | September 10, 2021

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.

For assistance, please look up [contact information for your Regional Team](#).

### State Water Implementation Fund for Texas (SWIFT)

Adopted rates made available for the Fall 2020 funding cycle of SWIFT/SWIRFT can be found by clicking the following link for tax-exempt funding: [SWIFT/SWIRFT Fall 2020 Tax-Exempt Lending Rates](#)

## State Revolving Funds for Projects in the SFY 2021 Intended Use Plan

### Clean Water State Revolving Fund - 20 Year Term

#### Equivalency CWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	1.80%	0.95%
AA	1.91%	1.10%
A	2.04%	1.30%
BAA	2.28%	1.60%

#### Non-Equivalency CWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	1.80%	1.10%
AA	1.91%	1.25%
A	2.04%	1.45%
BAA	2.28%	1.75%

### Clean Water State Revolving Fund - 30 Year Term

#### Equivalency CWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	2.77%	1.12%
AA	2.86%	1.21%
A	2.94%	1.30%
BAA	3.11%	1.60%

#### Non-Equivalency CWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	2.77%	1.47%
AA	2.86%	1.56%
A	2.94%	1.64%
BAA	3.11%	1.81%

## Drinking Water State Revolving Fund - 20 Year Term

### Equivalency DWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	1.80%	0.95%
AA	1.91%	1.10%
A	2.04%	1.30%
BAA	2.28%	1.60%

### Non-Equivalency DWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	1.80%	1.10%
AA	1.91%	1.25%
A	2.04%	1.45%
BAA	2.28%	1.75%

## Drinking Water State Revolving Fund - 30 Year Term

### Equivalency DWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	2.77%	1.22%
AA	2.86%	1.31%
A	2.94%	1.39%
BAA	3.11%	1.60%

### Non-Equivalency DWSRF Estimated Rates

<b>Rating</b>	<b>Market<sup>1</sup></b>	<b>TWDB<sup>2,3</sup></b>
AAA	2.77%	1.52%
AA	2.86%	1.61%
A	2.94%	1.69%
BAA	3.11%	1.86%

## Table Legend

- 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.
- Minimum interest rates per maturity and subsidies for CWSRF & DWSRF are shown below:

### Minimum Interest Rates per Maturity

<b>Rating</b>	<b>Equivalency</b>	<b>Non-Equivalency</b>
AAA	0.95%	1.10%
AA	1.10%	1.25%
A	1.30%	1.45%
BAA	1.60%	1.75%

### Interest Rate Subsidies – All Ratings

<b>Program</b>	<b>Equivalency</b>	<b>Non-Equivalency</b>
CWSRF	1.65%	1.30%
DWSRF	1.55%	1.25%

- 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

<i>Type of Funds</i>	<i>Terms</i>	<i>Market<sup>1</sup></i>	<i>TWDB<sup>2</sup></i>	<i>Difference</i>
<i>Development Fund (Tax Exempt)</i>	20	2.40%	1.98%	0.42%
<i>Development Fund (Tax Exempt)</i>	30	3.07%	2.26%	0.81%
<i>Development Fund (Taxable)</i>	20	3.07%	3.20%	-0.12%
<i>Agricultural Loans (Taxable)</i>	7	1.90%	0.08%	1.82%
<i>Rural Water Assistance Fund (Taxable)</i>	40	N/A	3.64%	N/A

### 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. Market data is not available for 40-year terms.
2. TWDB GO rates are calculated from sample level debt service schedules using TWDB-adopted rate scales; however, the TWDB GO rate for Rural Water Assistance Fund (Taxable) is based on Development Fund (Taxable) rate.