**Section 365.210 Fixed Loan Rate**

The interest rate of the loan agreement shall be a fixed loan rate and shall be established as follows:

a) Base 30 Year Rate – Loan agreements with a repayment period not to exceed 30 years shall have a fixed loan rate equal to 50% of the market interest rate (mean interest rate of the 20 General Obligation Bond Buyer Index, from July 1 through June 30 of the preceding State fiscal year rounded to the nearest 0.01%).

b) Small Community Rate – Public loan applicants with a service population less than 25,000 that also meet any one of the following three criteria qualify for a fixed loan rate equal to 75% of the Base 30 Year Rate:

1) The median household income of the public loan applicant's service population is less than the statewide average.

2) The unemployment rate of the public loan applicant's service population is greater than the statewide average.

3) The public loan applicant's annual user charge, based upon the average monthly bill of the public loan applicant's residential customers, is greater than 1.0% of the median household income of the public loan applicant's service population.

c) Hardship Rate – Public loan applicants with a service population less than 10,000 that also meet any one of the following three criteria qualify for a fixed loan rate of 1.0%:

1) The median household income of the public loan applicant's service population is below 70% of the statewide average.

2) The unemployment rate of the public loan applicant's service population is at least 3.0 percentage points greater than the statewide average.

3) The public loan applicant's annual user charge, based upon the average monthly bill of the public loan applicant's residential customers, is greater than 1.5% of the median household income of the public loan applicant's service population.

d) Environmental Impact Discount − When at least 50% of the eligible project costs fund any of the following components, the loan applicant shall receive a 0.2% discount from the rates established in subsection (a), (b), or (c):

1) new projects for the collection or treatment of unsewered communities;

2) projects involving nutrient removal or nutrient loss reduction;

3) green infrastructure projects;

4) projects lowering water demand; or

5) projects reducing energy demands at a wastewater treatment facility.

(Source: Amended at 48 Ill. Reg. 3751, effective February 27, 2024)