



**TEMPORARY ADMINISTRATIVE ORDER**  
INCLUDING STATEMENT OF NEED & JUSTIFICATION  
  
**OBDD 3-2021**  
CHAPTER 123  
OREGON BUSINESS DEVELOPMENT DEPARTMENT

**FILED**  
01/28/2021 9:21 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE  
& LEGISLATIVE COUNSEL

FILING CAPTION: This new rule relates to loan fees for the Safe Drinking Water Revolving Loan Fund.

EFFECTIVE DATE: 01/28/2021 THROUGH 07/26/2021

AGENCY APPROVED DATE: 01/22/2021

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**NEED FOR THE RULE(S):**

Fee revenue could result in additional capacity to help communities that struggle to access public funding or have challenges in navigating federal funding program requirements. In the case of federal funding downturn, the fee moneys could be used to ensure continuity of agency services aimed at helping public water systems maintain safe drinking water supplies.

**JUSTIFICATION OF TEMPORARY FILING:**

(1) The Safe Drinking Water Revolving Loan Fund administrative fee allows for federal funds to be used for a wider suite of activities than what is allowed under the base federal Drinking Water State Revolving Fund program. Fee revenues will be used to enhance program continuity, innovation, as well as potentially provide direct assistance to small water systems that lack capacity.

Only those communities with Median Household Income (MHI) above the state average will be charged the fee and those communities will realize a reduction in interest rate so that the cost of the fee will not result in any additional cost incurred over the loan term. If these rules are not immediately adopted, opportunity to build a more resilient and innovative program will be hindered. The program awards funds to communities with MHI above state average only infrequently.

(2) Public water systems would suffer these consequences. Fee revenue could result in additional capacity to help communities that struggle to access public funding or have challenges in navigating federal funding program requirements. In the case of federal funding downturn, the fee moneys could be used to ensure continuity of agency services aimed at helping public water systems maintain safe drinking water supplies.

(3) Failure to immediately take rulemaking action could result in lost opportunity to generate fee revenue. Only those

communities with Median Household Income (MHI) above the state average will be charged the fee. The program awards funds to communities with MHI above state average only infrequently. The entities subject to the fee will realize a reduction in interest rate so that the cost of the fee will not result in any additional cost incurred over the loan term.

(4) how the temporary action will avoid or mitigate those consequences.

Immediately taking rulemaking action could result in the capture of fee revenue that would be otherwise lost. The entities subject to the fee will realize a reduction in interest rate so that the cost of the fee will not result in any additional cost incurred over the loan term.

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DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 285A.200 and ORS 285A.213

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ADOPT: 123-049-0035

RULE SUMMARY: This new rule describes that a fee may be charged upon funding awards from the Safe Drinking Water Fund.

CHANGES TO RULE:

123-049-0035

Loan Fee

(1) The Authority may charge a loan fee on all funding awards, unless eligible for any exceptions established in this rule. The loan fee amount will be set by the IFA Board and may be periodically revised by that Board.¶

(2) The fee may be included as part of the loan principal.¶

(3) Fee revenue shall be used for eligible Fund administrative costs incurred by the Authority.¶

(4) A fee may not be charged to a community with a median household income that is below the state average as determined by the Authority.¶

(5) The loan interest rate plus assessed borrowing fees shall not exceed current market rate as determined by the Authority.

Statutory/Other Authority: ORS 285A.075, ORS 285A.200, ORS.285A.213

Statutes/Other Implemented: ORS 285A.200, ORS.285A.213