

Mississippi

Disadvantaged Community (DAC)

During FFY-2022, the following Principal Forgiveness (PF) methodology will be used to meet the requirements of both the America's Water Infrastructure Act of 2018 and the Consolidated Appropriations Act of 2021 for providing subsidy for disadvantaged systems. A minimum of 26% subsidy will be made available and up to 49% can be subsidized to eligible recipients.

The amount of PF for which a potential "Loan Recipient" (LR) may be eligible will be determined by calculating the percentage of the "Median Household Income" (MHI) of the potential LR versus the MHI of the State of Mississippi (\$46,511) as a whole.

90% < LR MHI < 100% - 15% Principal Forgiveness
80% < LR MHI < 90% - 25% Principal Forgiveness
70% < LR MHI < 80% - 35% Principal Forgiveness
LR MHI < 70% - 45% Principal Forgiveness

PF will be extended to projects until all mandated subsidy funds are obligated. Due to the limited amount of PF funds, the maximum amount of PF funds a loan recipient may receive for a project will be set at \$500,000. The amount of PF given will be assigned at loan award after the project goes to the bid phase. Once this happens, the amount of PF assigned can only change if the project's costs increase, PF is still available, PF assigned has not reached the specified maximum, and the Board approves a waiver allowing additional subsidization. Once subsidy funds are depleted, only standard loans will be made with DWSIRLF funds.

In the event that a LR declines their loan that includes PF, the released PF may be reallocated to other projects for the present fiscal year that are eligible for PF, or the PF may be carried over to projects for the next fiscal year.

If returned PF funds are reallocated to projects awarded during the existing fiscal year. The reallocation of PF will be given first to projects which did not receive their full allowable amount based on the above table up to the maximum allowed limit.

If all projects have received their full allowable amount, returned PF funds may be reallocated to projects awarded PF during the existing fiscal year based on a percentage of the individual LR's initial loan amount to the total loan amount of loans awarded PF during the fiscal year.

In all cases, the amount of PF which is awarded to a project may not exceed the amount of Federal Cap grant funds which the project was reimbursed during the construction of the project.