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New Haven Residents Benefit from Low Interest

NEW HAVEN, IN – The City of New Haven closed a \$7.9 million loan through the State’s Wastewater Revolving Fund last week, saving the City approximately \$927, 592 in interest over a 20-year period on much needed sewer and storm sewer upgrades.

“In our continuing efforts to use public funds in the best way possible, financing through the Indiana Finance Authority has proven once again to be our best option,” said Mayor Terry McDonald. “That can be clearly seen through such substantial savings to our taxpayers.”

New Haven will use the funds to separate sewer and eliminate combined sewer overflows (CSOs), install new sanitary sewer lines, convert combined sewers to storm sewers and install new storm sewers. These improvements will create a healthier environment and improve the quality of life for New Haven ’s residents.

“I want to compliment the City of New Haven for making wise use of tax dollars,” said Senator Dennis Kruse. “I think this is a much needed project, and even though construction will cause inconvenience, I think the outcome will benefit everyone for potentially up to 100 years in the future.”

Representative Phyllis Pond agreed. “Separating sewage discharge from rainwater runoff is one of the most important projects a community can do to improve the quality of life for its citizens,” said Representative Pond. “ New Haven is to be commended for their proactive approach in doing this project, and saving almost \$1 million in interest shows good financial stewardship.”

Governor Mitch Daniels created the Indiana Finance Authority (IFA) in 2005 to more effectively manage the State’s finances under one agency. The IFA manages the State’s Wastewater State Revolving Fund (WWSRF) and Drinking Water State Revolving Fund (DWSRF) Loan Programs. The primary purpose of the Loan Programs is to provide political subdivisions and other eligible entities a low-cost financing alternative for their wastewater and drinking water infrastructure improvement projects.

The SRF Programs receive capitalization grants each year from the U.S. Environmental Protection Agency (U.S. EPA), which the Authority then leverages with tax exempt bonds. Leveraging increases the funds available to the Authority to make loans. Currently, the Authority is able to make more than two dollars in loans for each one dollar received from the U.S. EPA.

The SRF Programs have loaned over \$1.7 billion to Indiana communities for infrastructure and improvements since 1991. During 2005 and through the first half of 2006, the SRF Loan Programs have saved Indiana communities \$40.5 million in interest costs.

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