Revolving Loan Fund Incentive

At a Glance:

The purpose of the Indiana Brownfields Program **Revolving Loan Fund (RLF)** incentive is to facilitate the redevelopment of brownfield sites by making low-cost, flexible funding available through loans and/or subgrants to finance environmental cleanups.

What is a Brownfield?

A brownfield is an underutilized property where redevelopment or reuse is complicated due to actual or potential environmental contamination.

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Introduction

The Indiana Brownfields Program (Program) offers Revolving Loan Fund (RLF) low-cost, flexible funding to finance environmental cleanups and facilitate the public or private redevelopment of brownfield sites throughout the State. In 2008, U.S EPA awarded a $2M RLF grant to the Indiana Finance Authority (IFA), which with RLF supplemental funding awards and the State's 20% cost-share required by U.S. EPA for each year's award, made additional funding available for cleanup activities at brownfields with hazardous substances and/or petroleum contamination. Current RLF funding is available through the IFA's 2022 RLF Supplemental award, which was provided under the Infrastructure Investment and Jobs Act (IIJA) and issued under a separate Assistance Agreement. U.S. EPA has awarded additional RLF supplemental funding to the IFA since the 2022 award. Contact the Program for current loan and/or subgrant funds available for remedial services.

Who can request funding through the RLF incentive?

Loans are available to qualifying Indiana political subdivisions, non-profit organizations, and private, for-profit organizations for cleanup activities at eligible brownfield sites. Subgrants are available to qualifying Indiana political subdivisions and non-profit organizations that own eligible brownfield sites.

What are the loan terms?

Loan terms are flexible and dependent upon project/borrower needs and the Program's need to maintain the long-term stability of the RLF incentive. Interest rates will be fixed and range between 0 – 3%. The length of the loans will be within a maximum of 20 years. Repayment terms are negotiated on a project-by-project basis and may include a deferral of principal payments (and possibly interest payments) for up to two years.

An RLF Loan made to a political subdivision or a non-profit entity (but not a private, for-profit entity) may be partially forgivable as determined by the Program. The forgivable amount of a loan may not exceed the lesser of either $500,000 or 50% of the loan amount. The amount of forgiveness will be determined on a project-by-project basis by Program staff in accordance with the terms of the loan agreement. Specific Program-approved economic development or redevelopment goals must be achieved before a bor-rower will be released from its obligation to repay a forgivable loan.

What are some examples of cleanup activities that can be funded by the RLF incentive?

- Containment, treatment, or disposal of hazardous or petroleum contamination
- Excavation, consolidation, or removal of contaminated soils
- Removal of source materials, including free product recovery

How can I request funding?

Entities Statewide may apply to the Program for RLF incentive funding at any time during the U.S. EPA RLF grant project period, currently September 30, 2028. Awards will be funded on a first come, first-served basis.

Visit the Indiana Brownfields Program Web site to view or download the RLF incentive guidelines and application documents at www.in.gov/ifa/brownfields/2366.htm.

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