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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 17 2001

OFFICE OF
SOLID WASTE AND EMERGENCY
RESPONSE

MEMORANDUM

SUBJECT: Amendment to Governmental Entity Loan Discount Rate for the Brownfields Cleanup Revolving Loan Fund (BCRLF) Program

FROM: Michael H. Shapiro
Acting Assistant Administrator

TO: Superfund National Policy Managers, Regions 1-10

The purpose of this memorandum is to amend the January 10, 2001, memorandum entitled *Financial Structure of Cooperative Agreement Funds Under the Brownfields Cleanup Revolving Loan Fund (BCRLF) Program*, signed by previous Assistant Administrator for the Office of Solid Waste and Emergency Response, Timothy Fields, Jr. The purpose of the January memorandum was to discuss ways a BCRLF pilot may structure cooperative agreement funds and to create incentives for new participants in the program. The January memorandum authorized cooperative agreement recipients to "discount" or forego loan repayments by governmental borrowers up to 10% of the loan amount. The memorandum issued today amends the amount of the loan discount for governmental entities and increases the discount rate to up to 20% of the loan amount. This discount, as was also true of the earlier 10% discount, is authorized in a "intra-governmental loan" situation (1) and, may only be used to carry out allowable cleanup activities in compliance with terms of loan agreement such as compliance with CERCLA, the NCP, the Davis Bacon Act and other cross cutting requirements applicable to the borrower.

¹ Referred to informally as "lending to yourself".

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The 30% discount rate for non-profit borrowers remains the same.

Brownfields Coordinators should inform the BCRLF pilots of this policy change. If you have, any questions regarding this memorandum, please contact either Linda Garczynski, (202) 260-1223, or Barbara Bassuener, (202) 260-9347.

cc

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