



**For Immediate Release:** December 31, 2014

**EFC Contact:** Jon Sorensen | 518.402.6924 | 518.956.2297

## **EFC's Refinancing Program Saves Municipalities in New York Nearly \$450 Million on Sewer & Water Infrastructure Projects**

New York Conference of Mayors 'Applauds Successful Efforts of EFC to Reduce Infrastructure-Related Interest Costs'

Local governments in New York will be saving more than \$447 million through a New York State initiative that for the past four years has refinanced \$3.1 billion in municipal debt payments for sewer and drinking water infrastructure, the New York State Environmental Facilities Corp. (EFC) announced today.

Refinancing \$3.1 billion in infrastructure loans for 196 cities, villages, counties, towns and other local governments, New York State leads the nation in the both the amount of loans refinanced, as well as the savings that will result. By lowering the interest rates on these loans, EFC will save local ratepayers more than \$447 million in interest payments across New York State.

"New York State leads the nation in providing interest-free and low-interest loans to local governments, resulting in hundreds of millions of dollars in savings for taxpayers," said EFC President and CEO Matthew Driscoll. "These loans provide an affordable way to finance vital infrastructure projects in communities across the state."

Department of Environmental Conservation Commissioner Joe Martens said, "It is acutely important to help local governments protect water quality systems and update infrastructure in a cost-effective manner. Under Governor Cuomo, and with the EFC financing program, communities have an economical option that helps protect public health and the environment."

Peter A. Baynes, Executive Director of the New York State Conference of Mayors said, "The New York Conference of Mayors applauds the successful efforts of EFC to reduce the infrastructure-related interest costs incurred by local governments and their taxpayers. At a time when cities and villages are struggling to fund the water and sewer system improvements necessary to enhance the quality of life and economic development capacity of their communities, EFC's lowered interest rates will be of tremendous assistance."

-more-

## **Page Two - EFC's Refinancing Program**

The \$3.1 billion in total refundings, as well as the projected savings, is the largest of any state in the nation. New York State also leads the nation in its total investment in water-quality infrastructure. According to the latest figures from the federal government's National Information Management System, EFC provided more than \$924 million to wastewater infrastructure projects between July 1, 2013 and June 30, 2014 – the most of any state and more than twice as much as the second-leading state (California with \$400 million).

During the last federal fiscal year (Oct. 1, 2013 – Sept. 30, 2014), EFC approved a record \$2 billion in total financings and refinancings.

EFC's strong management of its infrastructure loan funds was underscored when the bond-rating service Fitch Ratings last month affirmed the Triple-A credit rating on EFC bonds originally issued between 2001 and 2004. Many of those loans were among the sewer and water loans refinanced by EFC this year. The Chicago-based rating agency cited EFC's strong financial structure as well as the high-quality of its outstanding debt.

“EFC maintains sound investment practices as the programs' reserves are held primarily in highly rated investments,” Fitch stated in a credit rating analysis issued Oct. 30. “EFC's solid underwriting guidelines and program policies have resulted in a high-quality portfolio with at least 75% of the borrowers exhibiting 'A' or higher credit characteristics. Additionally, loan provisions are very strong, with nearly all loan principal secured by general obligation pledges and water and/or wastewater revenue pledges.”

EFC also has an AAA rating from S&P and an Aaa from Moodys.

###