

## Principal Forgiveness for Construction Projects

For the purposes of the principal forgiveness determination, an applicant's median household income (MHI) will be determined only by the following methods:

- i) using the U.S. Census Bureau's American Community Survey 5-Year Estimates (ACS); or
- ii) from an income survey that is documented to have used methodology provided by Ohio EPA, the results of which have been reviewed and approved by Ohio EPA.

An applicant's projected average annual residential sewer rate will be calculated, pending documentation, via the rate data provided in the Principal Forgiveness nomination form.

The sewer rate benchmarks and the MHI benchmarks will be determined based on the most recent data available. Based on current data, the Sewer Rate benchmarks and the MHI benchmarks equate to annual sewer rates and MHIs within the following ranges:

| Annual Sewer Rate benchmarks*  |                 | MHI benchmarks |                     |
|--|-----------------|----------------|---------------------|
| highest 5% annual sewer rate   | \$600 and above | lowest 5%      | \$26,315 and below  |
| highest 10% annual sewer rate  | \$599 - \$520   | lowest 10%     | \$26,316 - \$29,493 |
| highest 25% annual sewer rate  | \$519 - \$420   | lowest 25%     | \$29,494 - \$35,270 |
| <small>*Based on Ohio EPA 2009 Annual Water and Sewer Rate Survey, but assuming an average monthly water usage of 5,250 gallons.<br/> **For 2012, the MHI benchmarks have been updated to reflect the 5th, 10th and 25th percentile for median household income from the most recent ACS data.</small> |                 |                |                     |

## Benchmarks for Hardship Interest Rate Qualification

To ease the cost of planning, designing, constructing and operating wastewater facilities that provide residential service, the following hardship interest rates are available:

- Communities with a current service population equal to or less than 2,500 and with a median household income of \$49,750 or less will receive an interest rate of 0.0 percent.
- Communities with a current service population between 2,500 and 10,000 and with a median household income of \$45,500 or less will receive an interest rate of 1.0 percent.

For the purposes of these interest rates, a community is defined as any incorporated area, or any applicant with a current project service population within the noted ranges that charges the entire debt for the project solely to the project service population. Projects cannot be arbitrarily broken into smaller service areas for the purpose of receiving the lower interest rate.

See the [Interest Rates](#) webpage for a listing of interest rates per community based on these draft Program Year 2012 Benchmarks.