

EPA Financing Alternatives Comparison Tool (FACT)

The Financing Alternatives Comparison Tool (FACT) is a financial analysis tool available FREE to municipalities, utilities, and environmental organizations that helps identify the most cost-effective method to fund a wastewater or drinking water management project. This tool produces a comprehensive analysis that compares various financing options for these projects by incorporating financing, regulatory, and other important costs. FACT creates a variety of useful reports to effectively communicate the results of a comprehensive analysis. These include:

- ***A Summary Report*** – provides a side-by-side comparison of the various financing options using key financial figures. (e.g., Total Cost, Average Annual Cost, Net Present Value)
- ***A Detailed Cost Schedule*** – This schedule tracks disbursements, debt service payments, and other relevant costs throughout the life of a financing option.
- ***Annual Cost Graph*** – A line graph that tracks and compares annual costs of various financing options over time.
- ***Cumulative Cost Graph*** – A line graph that tracks and compares total costs of various financing options over time.

The key features of FACT include:

- Compares multiple financing options for a specific water infrastructure project.
- Setup financing options using multiple funding sources (e.g., a project that is partially funded by a grant with the remaining amount financed by a SRF loan).
- Use “Typical Values” for unknown financing and annual costs. This allows users to incorporate these important costs when the data may not be readily available.
- Provides line items labeled “Other”. This allows users to include customized costs that may occur with specific analyses.
- Contains a detailed help file, which includes a glossary that defines all assumptions and costs entered by the user.

FACT can greatly assist potential borrowers in identifying the most cost-effective method to fund a water or wastewater infrastructure project.

Installing and using FACT requires Microsoft Access 2000 or higher. To obtain a copy of this financing tool FREE, call Mark Mylin at (202) 564-0607 or by email at mylin.mark@epa.gov or to learn more go to the following web address:

<https://www.epa.gov/cwsrf/user-guide-financing-alternatives-comparison-tool>