



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

October 6, 2011

MEMORANDUM

OFFICE OF  
WATER

SUBJECT: Discount Rate for Fiscal Year 2012

FROM: Clifford Yee *CYee*  
National CWSRF Program Audit Manager  
Municipal Support Division  
State Revolving Fund Branch

TO: CWSRF Coordinators  
Regions I - X

Regulations for the construction grants program (40 CFR 35.2030(b)(3)) require that cost-effectiveness analyses performed in facilities planning be based on the discount rate established by the U. S. Environmental Protection Agency. The discount rate for fiscal year 2012, which applies to facilities plans beginning on or after October 1, 2011, is 4 3/8 percent (or 4.375 percent).

This discount rate has been computed in accordance with Section 80(a) P.L.93-251 (88 Stat. 34), Section 704.39(a) of the Water Resources Council's Rule and Regulations.. Discount rates for prior years were:

FY 2011	4.625
FY 2010	4.375
FY 2009	4.500
FY 2008	4.875
FY 2007	4.875

Please distribute copies of this information to your States for use in their programs. If you have any questions, please contact Cliff Yee at (202) 564-0598.

Thank you for your assistance.