

VLCT is Part of State's \$15M Flood Loan Interest Relief for Members

November 30, 2023



On November 28, Governor Scott and Vermont State Treasurer Mike Pieciak announced the creation of the [Municipal Climate Recovery Fund \(MCRF\)](#). This \$15 million loan program will support flood-impacted municipalities by significantly reducing the interest they must pay on short-term loans they take out to pay for recovering from the 2023 summer floods before FEMA payments arrive (which can take several months, perhaps more than a year). Operated by the Vermont Bond Bank with funding from the state, MCRF will offer financing that allows municipalities to refinance or finance flood expenses at a reduced interest rate as low as 1.3% for up to seven years. The program will save taxpayers in flood-impacted communities up to an estimated \$3.5 million.

The Vermont Bond Bank is also partnering with the Vermont League of Cities and Towns (VLCT) on the implementation of the MCRF to further reduce interest rates on these loans for the members of VLCT's Property and Casualty Intermunicipal Fund (VLCT PACIF) whose

flood losses exceeded their insurance coverage. VLCT will subsidize applicants' interest rates to near 0% for as long as seven years, up to a total of \$1 million for the group.

"This is going to reduce the cost of debt so [recipients] can put more of that money into other aspects of running a town – they don't have to raise taxes or cut services [to regain the interest costs]," Brady explains.

- Learn more about the program at [the Bond Bank's MCRF webpage](#).
- View VLCT Executive Director [Ted Brady speaking in the November 28 press conference](#) (presenting at 15:44 and answering a question at 28:29).

The municipalities that are eligible for the additional assistance from VLCT PACIF are Barre City, Barre Town, Bolton Town, Brandon Town, Brighton Town, Cabot Town, Central Vermont SWMD, Chelsea Town, Chester Town, Glover Town, Hardwick Electric, Hardwick Town, Irasburg Town, Jeffersonville Village, Johnson Town, Johnson Village, Ludlow Town, Ludlow Village, Marshfield Town, Montpelier City, Richmond Town, Rockingham Town, Rutland Town Fire District 1, Springfield Town, Wallingford Town, Washington Town, West Haven Town, Weston Town, Wheelock Town, Williamstown Town, Winooski Valley Park District, Wolcott Town, Woodbury Town, Woodstock Town, and Wrightsville Beach Recreation District.