

August 19, 2025

**Public Notice: Vermont  
STORM Hazard Mitigation  
Revolving Loan Fund  
Program**



Following the significant flooding in Vermont in 2023, Vermont Emergency Management (VEM) received nearly \$400 million worth of potential hazard mitigation projects on its pre-application form due in August of 2024. Given the need for funding identified through this process, VEM, in partnership with the Bond Bank, has decided to pursue funding through a **hazard mitigation revolving loan fund**. This funding would allow for lending to complete adaptation projects to reduce future flood risk, including upsizing bridges and culverts, and other community flood reduction work. **The Vermont Bond Bank and VEM are soliciting comments on their proposed Intended Use Plan.**

To accelerate the application, the [Intended Use Plan](#) (IUP) was developed to illustrate the plan for this loan funding. Highlights of information included in the IUP include:

- Vermont proposes to use the RLF to fund projects that do not otherwise have a funding source.
- Rural towns with populations under 5,000 will be a priority for loans.
- Projects not eligible for FEMA Public Assistance, such as dam removals and public system upgrades, will be supported with the loans.



- Maintenance and upgrades of public water systems recently acquired by municipalities and with substantial deferred maintenance will be supported.
- Municipalities must have a current, FEMA-approved [Local Hazard Mitigation Plan](#) to be eligible for RLF funds.
- Loan terms will be less than 20 years and subject to the usable life of the asset. Loan terms for rural underserved municipalities may be extended to 30 years.
- Interest rates are anticipated to be **very low**. Underserved communities = 0.5% interest and other communities 1.0%. Both will include a 0.5% administrative fee for the loan term.
- Criteria for ranking projects, including natural hazard mitigation, future hazard reduction, weighted criteria such as population and alignment with state and local plans, and available taxing capacity to repay debt.
- The loan application will require applicants to describe, quantify, and provide picture evidence of pre-mitigation conditions. During the project, cyclic updates including picture evidence will be required for the borrowers to report to the Vermont Bond Bank.

If you have comments on the Intended Use Plan, please reach out to Nicole Lee from the Bond Bank: [nicole@vtbondagency.org](mailto:nicole@vtbondagency.org). The public comment period is for 2-weeks. **Public comments will be accepted until Wednesday, August 27, 2025.**

Participation in the revolving loan fund is voluntary. A funding announcement will be shared if Vermont is successful in receiving this funding through FEMA.

If Vermont receives an award, the RLF would be funded through FEMA's [Safeguarding Tomorrow Through Ongoing Risk Mitigation \(STORM\) Revolving Loan Fund Program](#).

