

MISSOURI ON-SITE WASTEWATER IMPROVEMENT GRANT- LOAN PROGRAM

FACT SHEET

PURPOSE

The purpose of the Missouri On-site Wastewater Improvement Grant - Loan program is to provide financing for homeowners seeking to make improvements to, or replace their on-site wastewater treatment system which will improve Missouri's water quality. The program is funded by the Missouri Department of Natural Resources and delivered by Missouri's regional planning commissions and councils of government.

ELIGIBLE APPLICANTS

- Homeowners with a failing or failed on-site wastewater treatment system as documented by a certified installer or local health agency.
- Homeowners must have a sufficient income to make the loan payment and maintain the system.
- The value of the system funded cannot exceed the value of the property on which the system is placed.

ELIGIBLE ACTIVITIES

- Funds can be made for repair or replacement of private wastewater treatment systems for single-family houses, and multi-family housing consisting of four units or fewer.
- Funds can be used to finance only approved systems that are installed by contractors, approved by each county's respective health department. A list of approved installers can be found at:
<http://health.mo.gov/living/environment/onsite/counties/>
- Only systems recommended by the County Health Department, Department of Health & Senior Services, or the local authority will be funded.
- Costs related to the installation of an approved system (such as soils investigation, engineering services and surveying) are allowable expenses.

INELIGIBLE ACTIVITIES

Funds cannot be used for the following:

- Connecting homes to a cluster system or public sewer system;
- Installing an on-site system for new construction;
- Covering costs incurred prior to the loan approval;
- Paying homeowners for work they do on their own system, unless they are an approved contractor.

PROGRAM GRANT – LOAN GUIDELINES

- Grant availability up to 50% of project cost.
- Grant eligibility based on income guidelines outlined by the Department of Health and Human Services.
- Household income above low-income 10% grant - 60% loan - 30% applicant
- HH income below low-income – 50% grant – 50% loan

- Loan terms will be based on the borrower's ability to repay, not to exceed \$25,000 or 10 years per connection.
- The value of the system funded cannot exceed the value of the property on which the system is placed.
- Loan payments will be required on a monthly basis.
- Loans will be secured by a lien on the subject property, a deed of trust, a promissory note, or other acceptable encumbrances, in the amount of the loan with repayment required upon sale.
- Loans will be offered to eligible borrowers for eligible uses. Interest rates will not exceed 5%.
- Borrower will be responsible for all closing costs, recording fees, legal fees and other fees relevant to the loan. An estimate of the fees and charges will be provided to the borrower prior to closing on the loan. Fees related to the loan can be financed through the loan program as long as the total does not exceed the maximum loan limit of \$25,000.
- Lender may collect a late payment fee not to exceed 1.5% of the outstanding balance. Default of payment could result in a mechanics lien placed on the subject property.
- A \$30 fee will be assessed for all checks and payments returned for insufficient funds.
- All personal and confidential information provided by potential borrowers will be maintained in the project file at the regional planning commission offices. DNR may review this information for audit purposes.
- Construction payments will be issued jointly to the borrower and contractors approximately 30 days after completion of the work and submission of the appropriate documentation.

HOMEOWNER RESPONSIBILITIES

Approved applicants are responsible for procuring services related to the project. A minimum of three bids must be received for all project related expenses. If costs are less than \$5,000, a minimum of three phone bids are required. If costs are greater than \$5,000 a minimum of three written bids are required. The lowest bidder should be selected. If not, the homeowner must provide justification for not selecting the lowest bidder and request approval from the local regional planning commission.

Homeowners participating in the program must agree to an ongoing maintenance agreement, at their expense, for any advanced treatment system.

Wastewater treatment improvements will be owned by the borrower.

Applicants must certify they will provide appropriate system maintenance over the life of the loan; attend training on operating and maintaining the system; and periodically have the system inspected to insure it is operating properly. The inspection schedule will be determined by the type of system being installed, but must be performed at least every 5 years.