

# Lewis and Clark County Septic System Revolving Loan Program (RLP)

## Who is eligible for a loan?

There are three criteria for loan eligibility:

1. Your property must be located in Lewis and Clark County or the Lake Helena Watershed portion of Jefferson County. A map of the watershed boundary is available at the Lewis and Clark County Environmental Health Office or online at [www.lewisandclarkhealth.org](http://www.lewisandclarkhealth.org).
2. The septic system on your property must be in need of repair or replacement. The Lewis and Clark County Environmental Health Division will determine through site evaluation that a system is required to be replaced or repaired.

## What Can Loan Funds be used for?

Loan funds can be used for:

1. All costs to repair or replace a failed septic system, including tank pumping if required  
The system must be installed by a certified installer approved by Lewis and Clark County. The system must also be inspected by a Registered Sanitarian in Accordance with the Lewis and Clark County Onsite Wastewater Treatment Regulations.
2. Septic system permit fees.
3. Connection to a municipal sewer system in accordance with the Lewis and Clark County Onsite Wastewater Treatment Regulations.
4. Normal Loan fees and closing costs.

## What Loan Security Must I Offer?

The Revolving Loan Program (RLP) can lend on a first or a junior mortgage if you have adequate equity in your home. Your loan officer will discuss with you the need for an appraisal if property is to be used for security.

## How Long are Loan Terms?

Loan terms are a maximum of ten years, or may be adjusted to a shorter term. The Montana Business Assistance Connection (MBAC) staff will work with each borrower individually.

## How Is My Application Processed?

1. The RLP analyzes your request. We review technical merit and then send the application packet to Montana Business Assistance Connection for financial review and approval.
2. The RLP or MBAC will request any additional information needed to approve your loan application. The application process will suspend until any requested information is received.
3. MBAC will evaluate financial information and recommend approval or denial. The RLP will make a final decision.
4. Upon approval, the RLP will notify you if funds are available.
5. Applications that are not recommended for approval will be notified in writing of the decision and the reason.
6. On approval, you will receive a commitment statement listing the items needed before loan closing. For example, permits and final construction drawings are normally needed.
7. Loan funds will be available promptly after final loan documents are signed.

## How Do I Receive The Money?

MBAC will disburse the loan funds. The certified installer, upon completion and approval of the system, will submit an itemized statement to MBAC. Loan funds will be paid by MBAC directly to the installer. Installations will be documented to assure that loan funds are used as proposed. The septic system permit fee will also be paid in this manner.

## What Is the Interest Rate?

Interest rate for 2010 is 3%. Interest remains fixed for the term of the loan. The RLP will evaluate interest rates for the program each year and post any changes on the application and the Lewis and Clark County web site.

## What Other Loan Costs Are There?

Borrowers pay all costs of operating the loan program. You should expect to pay the following:

1. **Application Fee:** There is a non-refundable application fee that must accompany application, which pays for the credit report. The fee is \$50 for individual or \$100 for joint or business applications.
2. **Underwriting Fee:** A fee will be charged at closing equal to 2% of the loan amount or \$250, whichever is greater.
3. **Appraisal Fee:** If an appraisal is required, you will be required to pay the full cost. Your loan officer will discuss with you the need for an appraisal.
4. Fees may be financed with the loan, but the maximum loan amount cannot exceed \$10,000.
5. There are no penalties for early payment or early payoff.

**IMPORTANT:** After a loan is approved, it cannot be increased without going through an approval process. Feel free to estimate loan costs with us.

### **Are There Additional Requirements?**

The Lewis and Clark County Environmental Health Division will inspect final installation of the septic system in accordance with the County's Onsite Wastewater Treatment Regulations. MBAC will verify the installation of equipment and measures financed through the program. The RLP may periodically request performance information to evaluate the program's success.

### **Will the Revolving Loan Program Insure that My Project Is a Good One?**

No, the revolving loan program **may not**:

1. Act as your attorney, engineer, financial or tax consultant. You should hire any professional you need.
2. Endorse any project, manufacturer, contractor, or component. You should shop for bids and use professional help if necessary.
3. Compel a contractor or engineer to remedy defects in construction or to live up to any contracts they make with you.

The revolving loan program **does not**:

1. Design onsite wastewater treatment systems.
2. Guarantee the proper operation of any system.

**Applicant(s) need to provide written notice if any application information is to be considered exempt from public disclosure.**

### **Where Do I Send My Application or Go For More Information?**

Lewis and Clark County Environmental Health Division  
Lewis and Clark County Septic System Revolving Loan Program  
316 North Park, Room 230  
Helena, Montana 59623  
(406) 447-8351  
[www.lewisandclarkhealth.org](http://www.lewisandclarkhealth.org)