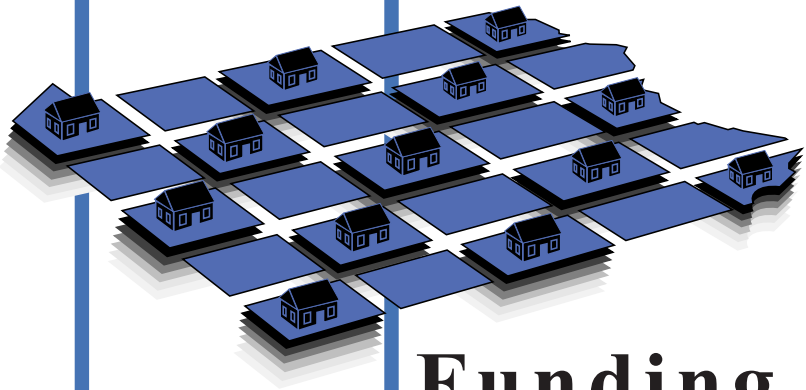




# Individual On-Lot Sewage Disposal System



# Funding Program

Pennsylvania Infrastructure Investment Authority (PENNVEST)  
Pennsylvania Housing Finance Agency  
Department of Environmental Protection

**Thomas W. Corbett, Governor**  
Commonwealth of Pennsylvania

# PENNSYLVANIA HOUSING FINANCE AGENCY

PENNVEST Individual On-Lot Sewage Disposal System Loan Program  
**Participating Lender List** (as of 1/1/2012)

Allegheny Mortgage Corporation  
Terry Johnston  
Oak Park Mall  
2001 Lincoln Way  
White Oak, PA 15131  
800-728-3505

Liberty Mortgage Corporation  
Debbie Gilmour  
3818 Liberty Street  
Erie, PA 16509  
814-868-8564  
814-868-0381 fax

**Please call 1-800-822-1174 for an updated list of lenders  
or check the following website: [www.phfa.org](http://www.phfa.org).**

The Pennsylvania Infrastructure Investment Authority (PENNVEST) provides low cost financing for wastewater systems across the Commonwealth. These systems typically serve an entire community with many users who are able to tie into the central system.

In some parts of the Commonwealth, particularly rural areas, it may be more cost-effective for individual homeowners to use their own on-lot sewage disposal systems rather than incur the high costs of constructing long collection lines to service widely scattered properties. As with larger systems, however, these individual on-lot sewage disposal systems may require improvement, repair or replacement to meet public health and environmental standards.

In order to provide access to the same low cost financing available to larger systems, PENNVEST teamed with the Pennsylvania Housing Finance Agency (PHFA) and the Department of Environmental Protection (DEP) to develop a special funding program to meet these needs. This collaborative effort resulted in the Individual On-Lot Sewage Disposal System Funding Program (the “On-Lot Funding Program”).

## ■ ELIGIBILITY

Loans offered under the On-Lot Funding Program are available to all citizens of the Commonwealth, with limited exceptions. Detailed information on eligibility requirements can be obtained from any of the agencies involved in the program by either sending in the detachable information request, or by calling the numbers listed in this brochure. Alternatively, eligibility information can be obtained from a participating local lending institution or your local Sewage Enforcement Officer.

**It is critical to remember, however, that you must not begin construction on your repair or replacement project before you receive approval of your loan. If you do begin construction too soon, your project will be ineligible for funding from this program!**

## THE GENERAL ELIGIBILITY REQUIREMENTS ARE:

- **family income** — must not exceed 150 percent of the statewide median household income, adjusted annually for inflation. The applicable maximum through December 31, 2012 is \$78,808.
- **credit worthiness** — financial ability to repay the loan
- **loan amount** — maximum – \$25,000
- **project type** — rehabilitation, improvement, repair or replacement of an existing system located on a single family, owner occupied property which is the primary residence of the owner
- **project location** — all areas are eligible unless a community wastewater collection and treatment system is either in place or will be constructed in the next five years
- **project costs** — construction fees and costs, permit fees, loan origination fees and legal fees
- **documentation** — all applicable permits, verification from your local municipality that a community wastewater disposal system neither exists nor is planned in the next five years, income and other credit information
- **lien position** — the PENNVEST loan must be in a 2nd lien position unless the loan amount is not greater than \$7,500, in which case a 3rd lien position would be allowed

## ■ FINANCIAL ASSISTANCE AVAILABLE

All assistance to homeowners under the On-Lot Funding Program is in the form of loans at an interest rate of 1.0 percent plus a servicing fee of .75 percent per annum. Loans will be secured by a mortgage on the borrower's home. The maximum term of a loan is 20 years and loan repayment commences within 60 days after the date of loan disbursement. A loan must be immediately repaid in full if the property on which the project is located is either sold or transferred. Loan origination fees will also be charged in connection with a loan.

## ■ HOW TO APPLY

Your first step should be to contact a participating local lending institution to see if you qualify for credit approval of a loan. See the inside front cover of this brochure or contact PHFA at 1-800-822-1174 for an updated list of participating lenders.

An application fee of \$65 will be collected, but it is a reimbursable fee if your loan is closed and disbursed.

If credit approval is given, you should then contact your municipal officials and have them sign a standard form certifying that your proposed project is not in an area which is currently served by public sewers and will not be served by public sewers within five years. If the municipal officers concur, contact the sewage enforcement officer (SEO) serving your municipality to determine if a repair or replacement of your on-lot system is permissible under all applicable Commonwealth regulations.

If a repair or replacement is permissible, the system must then be designed, and the designing SEO or professional engineer (PE) must certify that the system proposed is the most cost-effective system available for your property. Your municipal SEO then reviews the design and, if acceptable, issues a permit for the system. Where conditions are not suitable for a standard or alternative subsurface disposal system, small flow treatment

systems with a discharge may also be eligible. In these cases a PE must design the system and it must be permitted by DEP.

Your next step is to obtain bids from contractors who could do the work you are considering. Where possible, a minimum of three responsible bids is recommended. Have each contractor provide you with a written copy of his/her bid.

Once these steps are completed, take the permit application, permit, bids, and the certifications from both the designer and municipal officials to the participating local lending institution you contacted in the first step to complete your application for funding. That institution may request additional information and documentation.

## ■ **YOUR CONTINUING RESPONSIBILITY**

A basic requirement of the program is that you keep your upgraded or new on-lot system in good repair, have it pumped out regularly and ensure that it does not malfunction and fail to adequately treat wastewater or cause a public health hazard. DEP will help you comply with these requirements. Simple common sense and reasonable, regular upkeep should be sufficient to avoid any problems. A pumping frequency schedule and reporting requirements will be included in your loan agreement.

## ■ **BENEFITS TO YOU**

The low cost financing available to you under the On-Lot Funding Program can provide you with an adequate on-lot sewage disposal system and save money at the same time. For example, the interest cost savings on a 15-year, \$10,000 loan under this program, compared with a conventional loan, could range from \$3,000 to \$6,000. At the same time, you will be contributing to a cleaner environment for all of Pennsylvania.



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IF MAILED  
IN THE  
UNITED STATES

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**PENNVEST  
22 S THIRD STREET 4TH FL  
HARRISBURG PA 17101-9988**



**FOR MORE INFORMATION**

Call the following:  
PENNVEST - (717) 787-8138  
PHFA - 1-800-822-1174  
DEP - (717) 787-3481 or your local DEP office.

*Look in the blue pages of your telephone directory for the local number.  
Or, detach and send in the following information card.*

[www.pennvest.state.pa.us](http://www.pennvest.state.pa.us)  
[www.phfa.org](http://www.phfa.org)

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**REQUEST FOR ADDITIONAL  
INFORMATION**

If you would like additional information on the On-Lot Funding Program, just fill out the information below and mail in the card. No postage is necessary.

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: (    ) \_\_\_\_\_