

### Eligible Applicants

Applicants eligible to apply for a loan from the Water Development Loan Program are:

- a) **Individual residents of Oregon**
- b) **Entities with principal income from farming:**
  - Profit-making partnerships
  - Profit-making corporations
  - Nonprofit corporations
  - Cooperatives
- c) **Water-related districts:**
  - Irrigation districts
  - Water improvement districts
  - Irrigation or drainage corporations
  - Drainage districts
  - Corporations, cooperatives, companies or other associations formed prior to 1917 for the purpose of distributing water for irrigation purposes
  - Port districts
- d) **Cities or counties**
- e) **Organizations formed for the purpose of distributing water for community water supply** or
- f) **Local soil and water conservation districts**

## Eligible Projects

To be eligible for a loan from the Water Development Loan Fund, projects must meet one of the following definitions:

- a) **Drainage project:** facilities installed to provide for the removal of excess water to increase soil versatility and productivity.
- b) **Irrigation project:** facilities designed to provide water to land for the purpose of irrigation.
- c) **Community water supply project:** an undertaking, in whole or in part, in Oregon for the purpose of providing water for municipal use. A community is an incorporated or unincorporated town or locality with more than three service connections and a population of less than 30,000.
- d) **Fish protection project:** an undertaking, in whole or in part, in Oregon for the purpose of protecting fish or fish habitat.
- e) **Watershed enhancement project:** an undertaking, in whole or in part, in Oregon for the purpose of watershed enhancement.
- f) **Multipurpose project:** a water development project in Oregon which provides more than one use. The primary use of the project must be one of the uses listed in a–e above. Secondary uses may include other water uses which are compatible with the primary use.

## Costs

All costs to operate the Water Development Loan Fund (WDLF) are paid by borrowers. Tax dollars are not used. Consequently, borrowers pay an application fee and a loan processing fee. The application fee is \$100 and is non-refundable. The loan processing fee is \$1,000 or one percent (1%) of the loan request, whichever is greater, up to \$10,000. Additionally, borrowers pay closing costs and bond issuance costs.

# Application Procedures

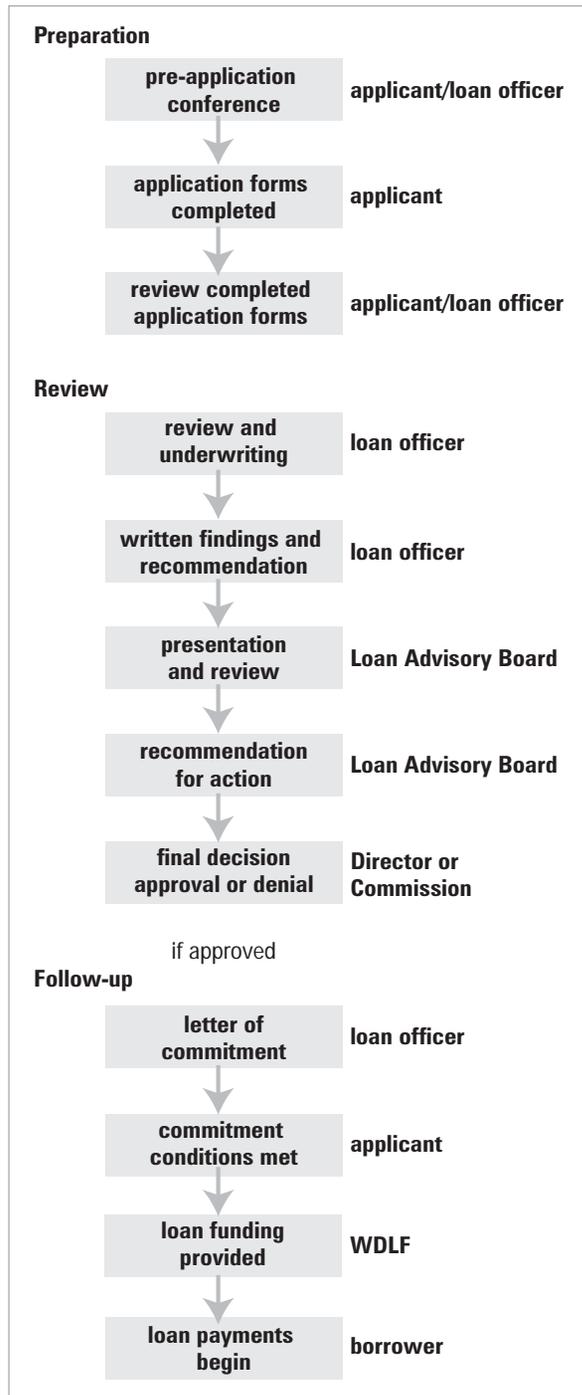
One of the goals of the WDLF is to provide its customers with a flexible, easy to use program. To that end, a WDLF loan officer meets with an applicant several times to assist in guiding the applicant through the loan process.

## Application

First, the loan officer conducts a pre-application conference with applicants to review the program and answer any of the applicant's questions. The loan officer and applicant meet again to review the completed application forms and ensure they are prepared adequately for submission.

## Review and recommendations

The loan officer then begins the underwriting process by reviewing the submitted



information. An engineering analyst conducts a technical review and prepares a report. The loan officer prepares a written loan recommendation and findings for management review. The Loan Advisory Board reviews the loan officer's presentation and makes a recommendation to the Director to approve, modify, deny or refer the loan request to the Water Resources Commission. The Director or the Commission issues the final decision on the loan request. If the loan is approved, the loan officer mails the applicant a commitment letter.

## Follow-up

The applicant notifies the loan officer when all commitment conditions have been met. The loan officer arranges for any needed inspections, verifies all commitment conditions are met, prepares closing documents, and requests funds needed for disbursement at closing. If the loan has been scheduled for construction disbursements, the borrower notifies the loan officer as each stage of completion is reached. Finally, the borrower begins making the agreed loan payments.

## **Collateral and Security**

The amount and type of loan security required depends on the borrower and the type of project financed. A first lien on real estate is required security for all loans. Other security may include a first lien on assessments or other revenue pledged for repayment and personal property financed by the loan.

## **Funding**

Funds to finance a water development project are obtained through the issuance and sale of self-liquidating bonds. The bonds are repaid by participants in the program and at no cost to the state or the Oregon taxpayer.

**For more information concerning the Water Development Loan Fund program, contact:**

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