



Oregon Department of Environmental Quality

CDFI Loan Factsheet

Clean Water State Revolving Fund

Contact: [Rebecca Kramer](#). Project Officer 503-229-6018

Overview

The [Clean Water State Revolving](#) Fund provides affordable loans for water quality projects to protect public health and the environment.

The [CDFI loan](#) enables CWSRF to offer financing to qualified institutions who will make sub-loans to individuals to either 1) repair or replace failing on-site septic systems or 2) replace failing on-site septic systems with connections to an available sewer.

Before submitting an application or preparing documents, contact Rebecca Kramer to discuss your organization and the CDFI loan opportunity.

Loan parameters

Eligible CDFI loan applicants must be:

- A nonprofit Community Development Financial Institution, and
- Registered to operate in Oregon, and
- Certified by the US Department of Treasury

Sub-loans may only be used for:

- Repairing a failing on-site septic system, or
- Replacing a failing on-site septic system, or
- Replacing a failing on-site septic system with a connection to a public sewer system

Key terms:

For the purposes of this type of loan, “**on-site septic system**” is defined by [OAR 340-054-0010](#) as a subsurface on-site sewage treatment and disposal system, including, but not limited to, alternative sewage disposal systems, nonwater-carried sewage disposal facilities, and subsurface sewage disposal systems as those terms are defined in [ORS 454.605](#).

A “**failing system**” is defined by [OAR 340-071-0100](#) as an on-site septic system that discharges untreated or incompletely treated sewage or septic tank effluent directly or indirectly onto the ground surface or into public waters or that creates a public health hazard.

Loan applications

Each application must include:

- Relevant and recent information about the CDFI, including but not limited to:
 - Organizational information, establishment documents, background and current programs, board membership, management structure, mission statement.

CDFI loan factsheet

- Financial history, audited annual statements, credit rating, and other documents requested by DEQ.
- Sub-lending plan
 - See sub-lending plan guidance for more detailed information. The Sub-lending plan must describe how the CDFI will manage and implement sub-lending to borrowers, including but not limited to:
 - The water quality benefits to be addressed
 - Sub-lending program budget
 - Proposed security for the CDFI loan
 - The anticipated sub-loan terms, maximum and minimum loan sizes, interest rates and expected fees
 - A description of administrative costs, including servicing sub-loans
 - If and how the CDFI anticipates the program will generate income
 - The number of sub-loans anticipated within the 12-month disbursement period, which is the maximum time allowed
 - Municipal, nonprofit or business partners involved
 - Efforts to publicize the program
 - What metrics will be used to measure success
 - Success can be quantitative or qualitative. It may be financially based, such as the number of sub-loans expected, executed, and repaid. Success may also programmatic, measuring the number of borrowers or septic systems, for example.

Next steps

- Read the [CWSRF Rules](#) and review the loan application and checklist at www.oregon.gov/deq/wq/cwsrf to better understand the documents required for a complete, eligible application.
- Contact Project Officer Rebecca Kramer at rebecca.kramer@deq.state.or.us, or 503-229-6018 with questions and to discuss whether your CDFI is eligible for this type of loan.

Alternate formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.