



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.

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- 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](http://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](mailto: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](mailto:deqinfo@deq.state.or.us).