

Septic System Grants and Loans Sources

January, 2009

There are several sources for receiving low interest loans or grants to help with the installation of a septic system. None of these funds come directly from Guthrie County but this Dept. tries to keep track of any such loans/grants. Whenever possible, we keep brochures or fact sheets on how to apply for these funds. The following is a listing of the programs of which we are currently aware.

Region XII Council of Governments Grants/Loans

This agency is partially supported by the Guthrie County Board of Supervisors. Its function is to search out grant/loan money and to help local governments of Guthrie County with various Federal and State requirements. One of the loan/grant programs that agency has available is to help low income people make improvements to their homes. Septic systems qualify as such improvements.

Guidelines are related to household size and income. Grants are awarded to the lower income levels with loans of low interest and extended payback periods for those slightly higher in income. Some people receive part loan and part grant. Grants do NOT have to be paid back.

A fact sheet is available from the Environmental Health office that gives the basics of this program. It also has the contact information so you can get in touch with the Region XII office in Carroll. If you prefer to contact them directly, the phone number is 712-792-9914. Explain what program you are interested in and the secretary will direct you to the proper people.

United State Dept. of Agriculture Rural Development 504 Grants/Loans

The Indianola office of the Dept. of Agriculture has grant and loan funds available. This is Federal money that is administered by Rural Development. There is some preference for people 62 and older.

Guidelines are similar to the Region XII program. Grants are awarded to the lower income levels and low interest loans with extended payment periods would be for slightly higher income levels. Grants do not have to be paid back.

A fact sheet is available from the Environmental Health office that gives the basics on the program, as well. Or you may contact the Indianola office directly. The number there is 515-961-5365.

Iowa Dept. of Natural Resources

On-Site Wastewater System Assistance Program Loans

The Dept. of Natural Resources (DNR) has a revolving loan fund of several million dollars to provide aid with the replacement of septic systems. Applicants are eligible for money with a 10-year payback. The loan program has NO limitations on income so that anyone is eligible for a 0%-4% loan rate at the borrower's choice. The Legislature wrote this law so that only property owners OUTSIDE the limits of incorporated towns are eligible.

This program works through local banks. So the borrower takes the information to the local lender and must be an eligible credit risk. The bank makes the loan and the DNR provides the cash for the loan to the bank. Most banks are willing to participate in this program but there are some banks which do not want to be involved with this program.

Again, this office has a packet of information that you can either pick up or have mailed to you. It is a complete set of the forms and explanations which you can take to your bank for discussion with them. So far this office has known of loans made through Guthrie County State Bank as well as Peoples Trust and Savings Bank. Other Guthrie County area banks may be willing to do these loans but you can use any bank in the State of Iowa that you wish.

This office would encourage any homeowner with financial problems that needs a system replaced to contact these sources. Keep in mind these programs are NOT available to people constructing NEW homes. The money is strictly to replace existing systems that have either gone bad or do not meet the regulation in place today. For the most part, these programs do not require excessive amounts of paperwork and we have found those involved with administering these programs to be helpful and prompt.