

FACT SHEET
Financial Assistance For Septic System Repairs
February 2008

If you need to repair your septic system or replace your cesspool, financial assistance may be available to you under one of the following programs.

Community Septic System Loan Program (CSSLP)

The CSSLP provides loans to homeowners for the repair or replacement of substandard, failed or failing septic systems within areas identified in the participating towns. The CSSLP gives communities without centralized wastewater treatment facilities access to Clean Water State Revolving Fund that is administered by the Rhode Island Clean Water Finance Agency. The Agency uses federal dollars recycled from previous Clean Water State Revolving Fund loans to provide the source of funds for the CSSLP. Communities are able to access these funds after completing an Onsite Wastewater Management Plan, securing approval of the Plan from DEM, and completing an application process with the RI Clean Water Finance Agency. Once in the program, communities can then make loans to individual homeowners for septic system repairs or replacement. The Rhode Island Housing and Mortgage Financing Corporation (RI Housing) is the homeowner loan administrator for the Program. The borrowing cost for the homeowner will be 2% for a term up to ten years. Each town sets its own eligibility criteria and application procedures and sets the maximum loan amount, up to \$25,000. Additional information on how the CSSLP is structured is available on the RI Clean Water Finance Agency's web site at: <<http://www.ricwfa.com/CommunitySepticSystemLoanProgram.html>>

The following towns currently participate in the CSSLP and other towns are preparing onsite wastewater management plans and are working towards eligibility:

- **Charlestown** - Steve McCandless (401) 364-5030 [Wastewater Management Office](http://www.Charlestownri.org/) <http://www.Charlestownri.org/>, click on "town departments," then "Wastewater Management."
- **Glocester** - (401) 568-6206 ext. 5 [Wastewater Management Board](http://www.glocesterri.org/wastewater.htm#loan) <http://www.glocesterri.org/wastewater.htm#loan>
- **Jamestown** - Justin Jobin (401) 423-7220 [Wastewater Management Program](http://www.jamestownri.com/) <http://www.jamestownri.com/>, select "Public Works" from the Departments menu, then click on "Onsite Wastewater Management."
- **Johnston** - Ed Davidson (401) 553-8869
- **Narragansett** - Jeff Ceasrine (401)782-0637
- **New Shoreham** - (401) 466-7737
- **North Kingstown** - Tim Cranston (401) 268-1521 ext. 233 [Department of Water Supply](http://www.northkingstown.org/waterdept/WAISDS.asp) <http://www.northkingstown.org/waterdept/WAISDS.asp>
- **South Kingstown** - (401) 789-9331 ext 263 [Onsite Wastewater Management Program](http://www.southkingstownri.com/) <http://www.southkingstownri.com/>, click on "Municipal Departments," then "Public Services," then "Onsite Wastewater Management."
- **Tiverton** - John Lincourt (401) 625-6701 [Onsite Wastewater Management Program](http://www.tiverton.ri.gov/government/wastewater2.html) <http://www.tiverton.ri.gov/government/wastewater2.html>

Rhode Island Housing Home Repair Loans

RI Housing offers financial assistance for repairing and improving existing homes, including septic system repair or replacement. The maximum Home Repair loan is \$25,000. To be eligible for a RI Housing Home Repair Loan, in most of Rhode Island, your household income cannot exceed:

- \$77,300 for households of one or two persons
- \$88,950 for households of three or more persons

Only owner-occupied, one to four family properties are eligible. If your home has more than one unit, at least half of your tenants must earn no more than 80% of HUD's median family income for their community and household size. This is equivalent to \$52,200 for a household of three in most of Rhode Island. These are 20-year, fixed-rate, low-interest loans. There are no points, application fees or other charges. Call (401) 457-1111 to get the latest rates 24 hours a day. For more information, contact RI Housing at (401) 450-1344 or loaninfo@rhodeislandhousing.org

USDA Rural Home Repair Loans and Grants

United States Department of Agriculture Rural Housing Repair and Rehabilitation Loans (Section 504 Loans) and Grants are funded directly by the Federal Government. These loans and grants are available to very low-income rural residents who own and occupy a dwelling in need of repairs. Funds are available for repairs to improve or modernize a home, or to remove health and safety hazards, including failed septic systems.

Loans of up to \$20,000 are charged 1% interest and may be repaid over a maximum 20-year period. To obtain a loan, homeowner-occupants must be unable to obtain affordable credit elsewhere and must have very low incomes, defined as below 50% of the area median income and therefore varies throughout the state. Median income guidelines for your community can be found at <http://www.huduser.org/datasets/il.html>.

Grants of up to \$7,500 are only available to homeowners who are 62 years old or older and are unable to repay a Section 504 loan. A real estate mortgage and full title services are required for loans of \$7,500 or more. Grants may be recaptured if the property is sold in less than 3 years. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A grant/loan combination is made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in assistance.

For more information, contact the USDA Rural Development Service Center at (401)826-0842.

If you live in Warwick

If you live in Warwick and have access to a sewer line, the City of Warwick has a financial assistance program to encourage homeowners to connect their structures to sewers. Contact the Community Development Office at (401) 738-2000 x6371 or com-dev@warwickri.com.