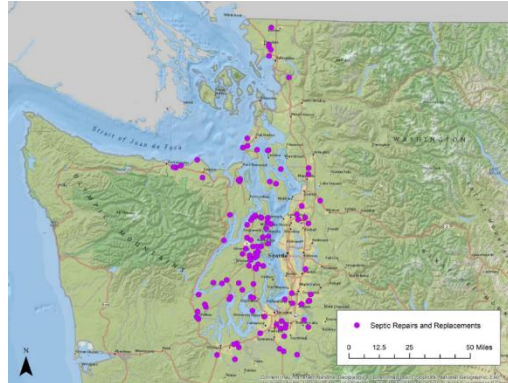


## ON-SITE SEWAGE SYSTEM LOAN PROGRAM

**STATE PROGRAM:** Washington Department of Ecology

**ASSISTANCE RECIPIENT:** Tacoma-Pierce County Health Department



### PROJECT DESCRIPTION

The RLP consolidates multiple county-level septic loan programs into a single public-private partnership (P3) between the State Dept. of Ecology, State Dept. of Health, multiple counties and local health jurisdictions, and third-party lender Craft3. Ecology contracted with Craft3, a nonprofit Community Development Financial Institution (CDFI), through a competitive procurement process, and created this P3 to administer a revolving loan fund. Funded with SRF loans, Washington State Centennial Clean Water grants, and private funds leveraged by Craft3, the RLP program provides loan assistance to eligible property owners across the region to repair, upgrade, or replace failing or malfunctioning septic systems (or convert to sewers in some cases), protecting public health and water quality. Under this creative arrangement, Craft3 works with local authorities to approve individual projects. Craft3 assumes the financial risk associated with lending and is obligated to repay the SRF funds.

The program leverages economies of scale and Craft3's lending expertise and infrastructure. This makes more funds available for loans, outreach, and education, with less needed for program administration. This allows local governments to reap the benefits of a SRF-funded program while receiving support in managing the local loan program. Low-income borrowers account for 36% of the projects, many of who do not qualify for traditional financing. The new consolidated program streamlines and standardizes the process, making it easier for contractors to work across jurisdictions. Contractors are paid immediately once each system passes inspection. The RLP also lends to small businesses, helping to stabilize local economies.

To read more about this case study, please visit [epa.gov/sites/default/files/2017-11/documents/pisces\\_compendium\\_final2.pdf](https://www.epa.gov/sites/default/files/2017-11/documents/pisces_compendium_final2.pdf).