



## Community Septic System Loan Program (CSSLP) Criteria January 2022

1. The following criteria shall be applied to the CSSLP loans administered by Rhode Island Housing on behalf of the Town of Narragansett.
2. The maximum amount of the loan shall be \$20,000.
3. The loan shall require a \$300 origination fee and 1% annual servicing charge on the outstanding balance.
4. The loan term shall be up to a maximum of ten (10) years.
5. There is no income level requirement.
6. The loan obligation shall be structured to be repaid at the sale or transfer of the subject property, and shall be made a lien on the property if not paid before property sale or if loan defaults.
7. Prepayments - The loan may be prepaid by the borrower at any time may be subject to a prepayment penalty based on the cost of reinvesting the prepayment or any other negative financial impact to the Agency.
8. The debt to income ratio of the applicant shall be no more than forty-five percent (45%).
9. The borrower must be current with all financial obligations to the Town of Narragansett at the time of the obligation.
10. Funding of group or cluster septic systems or projects on commercially owned property are not allowed under CSSLP provisions.
11. A failed septic system is defined by current RIDEM Regulations as evidenced by a *Notice of Violation* or *Intent to Enforce* and the Town of Narragansett ISDS Wastewater Management Ordinance. An evaluation by a qualified septic service/maintenance may also be presented. For purposes of accessing loan funds all cesspools shall be considered failed systems.
12. Funds are approved for septic system repair or replacement only and shall not be used for kitchen or bathroom improvements, additions or any remodeling projects.
13. Funds will be available after a certificate of conformance is issued by RIDEM.
14. For RI Housing, loan applications will not be formally accepted for review and processing until such time as required local, State and Federal permits are procured, including RIDEM approval for design and installation of a new

system or the alteration or repair of an existing ISDS. RIDEM permit application is not a requirement for pre-application with the Town.

15. A loan applicant must provide proof that the subject property has homeowner's property and liability insurance.
16. Any contractor providing work funded under CSSLP must show proof of liability insurance.
17. The Town reserves the right to prioritize applications in accordance with the ISDS Wastewater Management Plan.
18. For resident property owners meeting applicable low or moderate income limits promulgated by HUD, supplemental funding for ISDS repair or replacement may be available from the Town of Narragansett revolving rehabilitation loan program. Applications for this program shall be submitted to and administered by the Town of Narragansett.
19. Properties considered for pre-application shall be owner-occupied and preference given to properties that are the owners primary residence.
20. Properties located within sewer service areas shall not be eligible. Any waiver for this criteria shall first need to be approved by the Town Engineer, and will be accompanied by a detailed explanation for the reason of the waiver request.