



PARTNERSHIP WITH THE IOWA FINANCE AUTHORITY
AND THE IOWA DEPARTMENT OF NATURAL RESOURCES

Onsite Wastewater Assistance Program (OSWAP)

Iowa Finance Authority (IFA) is the funding source for the OSWAP program. IFA does not fund until the septic work has been completed and the septic work has been approved. Cory Frank who works for the Iowa Department of Natural Resources (DNR) administers the program and he provides IFA the approval to fund. Below are the steps in which the program is administered:

- The landowner must receive project approval from the County Sanitarian and the landowner applies for a county wastewater system construction permit.
- Landowner obtains bid(s), chooses a contractor for project and obtains a copy of the "OSWAP Approval Form" signed by a county representative.
- Landowner applies for a loan with a participating lender for the program. Landowner presents to lender the bid and the "OSWAP Approval Form".
- Lender originates and underwrites loan with a maximum term of up to 10 years. Interest rate charged to the borrower will not exceed 3%.
- Septic work begins and the lender enters the application on IFA's website www.iowalinkeddeposit.com.
- Upon completion of septic work, landowner contacts County Sanitarian to let him/her know project complete.
- County Sanitarian visits project and signs off on "OSWAP Approval Form" – Final Inspection/Completed System Approved.
- Lender provides to IFA via email a copy of the final invoice(s), a copy of the fully completed "OSWAP Approval Form" (which should include the borrower's signature on the form where it states "Signature of Applicant") and the County Permit.
- IFA forwards the final invoice(s), "OSWAP Approval Form" and County Permit to Cory Frank w/DNR. DNR will let IFA know if application is approved or in some instances if more information is needed for approval.
- Once approved, IFA notifies lender the application is approved and the dollar amount in which it is approved. In addition, IFA notifies the lender the days in which IFA can fund the deposit to the lender. At this time, lender will need to setup a depository account with IFA if there is not one setup. Account will be in the name of IFA.
- IFA deposits funds equal to the principal amount of the loan at 0% interest. The deposit does not guarantee the loan nor is it collateral for the loan. The deposit is only to reduce the interest rate charged to the borrower.
- Annually the bank will remit to IFA from the deposit account an amount equal to the principal repayment of the outstanding loan. As a result, the amount in the deposit account will equal the principal outstanding on the loan.