



Public Health
Prevent. Promote. Protect.

District Board of Health *FACT SHEET*

Low Interest Loans Available to Homeowners and Businesses for Sewer Connections and Sewage System Improvements

State and local environmental regulatory agencies and two local banks have joined forces to offer a program through which homeowners and businesses can receive below-market interest rates from local banks to repair, or replace their home or commercial sewage systems (including Ohio EPA approved off-lot discharging systems) or connect their homes or businesses to public sewers.

Malfunctioning home sewage systems discharge millions of gallons of pollutants into Mahoning County's surface and ground water every year. This loan program - the first of its kind in the U.S. - is a key element in a Home Sewage Pollution Prevention Plan adopted by the District Board of Health and Ohio Environmental Protection Agency (EPA). The plan includes financial incentives, a homeowner education program, more frequent inspections of home sewage systems, and stricter enforcement of existing regulations to eliminate public health nuisances created by malfunctioning systems.

Through the Water Pollution Control Loan Fund linked deposit loan program, the Ohio EPA makes deposits in local banks which agree to offer discounted loans to homeowners and businesses with District Board of Health or Ohio EPA approval for sewer connections or sewage system improvements. Homeowners or businesses may use these loans to make improvements voluntarily or under order from the District Board of Health or Ohio EPA. The banks will conduct their normal credit reviews of applicants for linked deposit loans. If a bank approves an application, it will set the terms of the loan as it would any other loan, minus up to a five percentage point discount that the bank itself receives from the Ohio EPA for its linked deposit with the bank. The diagram on the other side of this fact sheet shows how the loan process works.

The linked deposit method of financing pollution prevention offers several advantages. It allows credit decisions to be made by experienced loan officers. Further, it is more efficient for such loans to be managed by private lenders who are themselves more accessible to loan seekers and better able than a government agency to market this loan product to their customers. Two local lending institutions - **Farmers National Bank** and **KeyBank** - participate in the program.

For more information about low-interest loans for home and commercial sewage system improvements, call loan officers at any of the participating banks or the Environmental Health Division of the District Board of Health at 330-270-2855, menu selection #2 or 1-800-873-MCHD.

March 28, 2011

LINKED DEPOSIT LOAN PROGRAM FLOWCHART

