
PENNVEST Homeowner Septic Program

- Overview:** The Pennsylvania Infrastructure Investment Authority (PENNVEST) has teamed with the Pennsylvania Housing Finance Agency (PHFA) and the Pennsylvania Department of Environmental Protection (DEP) to offer this special funding program. Assistance is available to eligible homeowners to connect for the **first time** to a public sewer system OR who need to repair or replace their individual on-lot septic system.
- Applicant Eligibility:** **There are no household income restrictions.** Borrowers will be underwritten to determine ability to repay the loan. Borrowers must be PA residents. Two unit dwellings deeded as one property are eligible unless the residence is a manufactured home, then one unit only.
- Eligible Projects:** Allowable project types include: rehabilitation, improvement, repair, or replacement of an existing septic system or a first-time connection to a public sewer. For first-time sewer connections, any area of PA is eligible. For on-lot septic repair, all areas of PA are eligible unless a public wastewater collection and treatment system is either in place or will be constructed in the next five years.
- Eligible Costs:** Eligible project costs include: system design charges, construction fees and costs, inspection, and permit fees, connection fees (also known as "tap-in fees"), and most loan origination fees.
- Loan Terms:** **The funding is a 20 year loan with an interest rate of up to 1.75%.** The maximum loan amount is \$25,000. Loans will be secured by a mortgage on the borrower's home. The PENNVEST loan must be in first or second lien position unless the loan amount is less than \$7,500 OR the existing first and second liens were originated at purchase for the purpose of buying the home. Third lien position is permitted in these circumstances.
- For example, if \$7,500 is borrowed at a rate of 1.75%, the monthly payment would be approximately \$133/month for the term of the loan.
- Process:** Applicants must gather and provide for lender and PHFA review, all income and credit information, applicable permits, project specifications, connection fees for sewer connections, or, if you are replacing or repairing an on-lot septic system, verification from your local municipality that a wastewater disposal system neither exists nor is planned in the next five years. Additional information supporting the loan application may also be requested. The borrower gets approved by the lender for the cost of the project (that cost is what the PENNVEST loan is based on). The borrower closes on the loan with the lender. Then the borrower will contact the program and let them know who to pay and how frequently payments need to be made.
- Other Information:** There is currently one lender available through the program and a second lender should be available at the end of June. There are a handful more lenders that are interested but have not yet started the process.

For more information: Contact your local Sewage Enforcement Officer, township or borough official, or PHFA at 1-855-827-3466.