

## STORAGE TANKS SECTION INFORMATION SHEET

## Underground Storage Tank (UST) Loan Assistance Program

### Time for an upgrade? Need to replace your tanks? Want to remove the UST system altogether?

These can all be incredibly costly projects. Since 1990, the Vermont Department of Environmental Conservation (DEC) has helped UST owners facilitate these projects by offering loans through the Petroleum Cleanup Fund (PCF). Over \$12 million in funds have been disbursed, and over 250 projects have been completed.

#### Who can apply for a loan?

- Owners of Category I UST systems.
- Owners of USTs or aboveground storage tanks (ASTs) storing petroleum products where the project has the purpose of reducing the likelihood of a release of petroleum to the environment.

#### What activities are eligible?

- UST system upgrades that reduce the likelihood of a release to the environment.
- UST system replacement.
- UST system removal.

#### How much can I borrow?

Up to \$150,000.

#### What is the interest rate?

Interest-free loans are available if the applicant owns less than five UST facilities in the State. There is a 2% interest rate (fixed) if the applicant owns five or more UST facilities in the State.

#### What is the payback period?

10 years.

#### What is the payment frequency?

Payment frequency is negotiable: monthly, quarterly, annually, etc.

#### What does the application entail?

Applicants must fill out a loan application, a financial application, a personal financial statement, and an IRS W-9. Applicants must submit two years of income tax returns, current year's profit and loss statement, current tax bill, and an estimate from a UST contractor for the project.

#### How long does it take the State to process an application?

Typically, 2-3 months.

#### To whom are the funds paid to?

Loan payments are made in two installments and both payments are made directly to the UST contractor completing the project.

#### How are loaned funds dispersed?

The first installment is for half of the loan amount and is paid before the project starts. The other half is paid once the project is completed.

#### Is there a cost to apply?

No.

#### How does the State secure the loan?

Collateral by way of a lien.

#### What if I fall into hardship?

DEC may, upon showing of financial hardship by the entity who took out the loan, extend the maturity date for not more than an additional five years.

#### What happens if I sell my property?

If the sale occurs before the end of the loan term, the loan must be paid back at the time of the sale.

#### Are there other requirements?

All proposed projects must comply with all planning, zoning, laws, and regulations of the municipality where they are located and the State of Vermont.

#### What law governs this program?

10 V.S.A. § 1944 Underground Storage Tank Loan Assistance Program Statute.

**To discuss the UST Loan Assistance Program, or to request an application, please contact:**

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Visit the webpage for more information : <https://dec.vermont.gov/waste-management/storage-tanks/underground-storage-tanks-usts/ust-loan-assistance-program>