



## INVESTING IN IOWA'S WATER

# Low-Interest Loans for Soil Erosion and Manure Management Practices

### INSTRUCTIONS AND APPLICATION FORM

#### ***What Projects Can Be Funded?***

Virtually all practices eligible for State Cost Share, REAP and EQIP are eligible for loans. These practices may include but are not limited to:

- Terraces, grade stabilization structures, water and sediment control basins
- Pasture & hay land planting or prescribed grazing
- Grassed waterways and filter strips
- Field borders, windbreaks and buffers
- Waste storage facilities
- Deep bedded buildings or other roofed manure control structures that provide 100% confinement

#### ***Who Can Get a Loan?***

Eligible applicants include farmers, landowners, and livestock producers. Loans to implement practices for animal feeding operations can only be made to operations that are under 1,000 animal units and are not required to have an NPDES permit. Loans can only be made to existing operations or for replacement facilities when a water quality problem is being resolved. The primary purpose of the project cannot be expansion.

#### ***What are the Loan Terms?***

- Loans amounts from \$5,000 - \$500,000
- Terms up to 10 years.
- Can fund up to 100% of eligible project costs
- 3% fixed interest for life of the loan
- Applications accepted anytime
- Available through the lender of your choice
- Can be used in conjunction with grants/cost-share



## APPLICATION PROCESS

The purpose of the loan program is to improve and protect Iowa's water quality. The loan assistance is facilitated through the State Revolving Fund (SRF). Loan amounts range from \$5,000 - \$500,000 per borrower with loan terms up to 10 years at an interest rate of no more than 3% - fixed for the life of the loan.

Loans can fund up to 100% of a project's actual cost or be used in conjunction with cost-share or grants. A linked deposit incentive structure enables you to work with the lender of your choice. Applications are accepted on a continuous basis by your local Soil and Water Conservation District (SWCD). The application process is outlined below:

- Step 1** The applicant completes and signs the application and maintenance agreement. All practices must be constructed to meet Natural Resource Conservation Service (NRCS) specifications. For applications related to animal feeding operations, complete the supplemental questions related to your operation.
- Step 2** SWCD Board Approval. SWCD commissioners act upon (deny or approve) the application based on the practice's ability to protect or improve water quality. The chairperson will sign the application and maintenance agreement. A copy of the signed application must be scanned and e-mailed to [tony.toigo@iowaagriculture.gov](mailto:tony.toigo@iowaagriculture.gov).
- Step 3** Apply for a loan through a participating lender. A list of participating lenders is available at [www.ifaprograms.com](http://www.ifaprograms.com). If your lender is interested in becoming a participating lender, he/she may sign up online at that website. Show your lender a copy of the approved application. Once your loan has been approved, the lender will complete the online application to reserve funds for your project.
- Step 4** Division of Soil Conservation (DSC) approval. If the application is approved, DSC will notify the SWCD that the application has been approved and assign the project an approval number. Anytime after the SWCD has been notified of the project approval from DSC, construction may begin. The project must be constructed to meet NRCS specifications.
- Step 5** Project Inspection. The project technician will inspect the project and verify actual costs. The technician will complete a certification and expense summary form and e-mail or fax a copy to DSC.
- Step 6** Loan completion. DSC will notify IFA of the project completion. The lender will receive an email that the funds are available and can go online to [www.ifaprograms.com](http://www.ifaprograms.com) to enter loan details and request the funds. Funds are deposited by IFA into a deposit account at the financial institution and the borrower receives loan.
- Step 7** Repay loan. The borrower repays the loan according to the terms agreed to with the lender. Annually, IFA will withdraw from its deposit account an amount equal to the principal that has been repaid on the loan. The amount in the deposit account and the principal amount outstanding on the loan will be the same.

***For more information or to submit a project application:  
Contact your local SWCD***

**PROJECT APPLICATION**

<b>Name of Applicant</b>	<b>Phone</b>	<b>Email</b>	<b>SWCD (County)</b>

<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>

<b>Township #</b>	<b>Range #</b>	<b>Section</b>	<b>¼</b>	<b>¼</b>	<b>¼</b>

**Bank and Loan Officer Contact Information**

<b>Practice &amp; Practice Code</b>	<b>Quantity (ft, acres, quantity, etc)</b>	<b>Total Eligible Cost – Other Funding = Estimated Loan</b>		
<b>TOTALS</b>	-----			

If Animal Unit Capacity Increases By More Than 1.5 Times, Use the Following Formula To Adjust Estimated Loan Amount  
 Existing Animal Unit Capacity / Proposed Animal Unit Capacity x Estimated Loan Amount x 1.5  
 Example: 300 AUC / 600 AUC X \$100,000 X 1.5 = 75,000 New Eligible Loan Amount

**If Necessary Please Provide Adjusted Estimated Loan Amount =**

**Circle Other Funding Type(s) That Apply: NIL, Cost Share, POL, REAP, EQIP, SWCD, WSPF, WPF, 319, WIRB, \_\_\_\_\_**

<b>Animal Type</b>	<b>Current Operation</b>			<b>Proposed Operation</b>		
	<b>Head</b>	<b>Factor</b>	<b>AU</b>	<b>Head</b>	<b>Factor</b>	<b>AU</b>
Slaughter or feeder cattle		1.0			1.0	
Immature dairy cattle		1.0			1.0	
Mature dairy cattle		1.4			1.4	
Gestating sows		0.4			0.4	
Farrowing sows & litter		0.4			0.4	
Finished (Market) hogs		0.4			0.4	
Nursery pigs 15 lb. to 55lb.		0.4			0.4	
Sheep and lambs		0.4			0.4	
Other _____						
Other _____						
Other _____						
	<b>Total</b>			<b>Total</b>		

**For livestock feeding operations, describe the current operation and how this project will improve or offer further protection to water quality. Provide a detailed map of the project area along with contractor bids with this application.**

**PROGRAM APPLICANT CONDITIONS**

- **Eligible Applicant:** Must be owner of record or have long-term control of the property where the project is to be implemented. Must also be authorized to sign on behalf of the entity listed on the application.
- **Timely completion.** The application is active for twelve months following the date the application is approved by the SWCD. If the project is not completed and the applicant hasn't requested an extension, the application will be discarded.
- **Records:** The applicant shall maintain records that document all project costs for 3 years from the date of the final loan payment. The applicant shall provide the DSC and local SWCD representative access to the project to verify the loan was used for the purpose intended.
- **Rectification and Disputes:** Failure of the applicant to implement the approved project or to comply with the applicable requirements constitutes grounds for denying the use of the program.
- **Repayment & Property Transfer:** Loans shall be repaid in accordance with the terms and conditions of the executed loan agreement between the participating lender and applicant. In the event of property transfer from the applicant that secured the loan to another person or entity during the repayment period specified in the loan agreement, the balance of the loan, principal and any accrued interest shall be due in full.
- **Project Maintenance:** The funded practice must be maintained for a period specified in the maintenance agreement, but in no case less than the life of the loan. If an open lot is closed and replaced with an eligible replacement facility, the district shall place a restrictive covenant that prohibits the operation of an open feedlot at the site being replaced for the life of the loan.
- **Applicant Responsibility:** The applicant is responsible for obtaining all required permits prior to construction. An application approval does NOT constitute a permit. The applicant also agrees to comply with all local, state and federal laws.
- **Eligible Costs:** Only those costs deemed necessary to improve or protect water quality are eligible. Pattern tile, feed bunks, buildings over manure pits, electrical, watering systems and air handling equipment are examples of ineligible items.
- **Manure Management Plan:** An MMP that fits the requirements of 567-65.17 (459), a nutrient plan as defined in 567-65.112 (459A), or a CNMP as defined by NRCS is required to be on file with the SWCD office prior to receipt of the SRF loan.
- **Application Approval:** Construction should NOT be started until the district has received an approval number from the State Division of Soil Conservation. The district will notify you when construction may begin.

1.	Is the proposed project a new operation?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2.	Is the existing facility required to have an NPDES permit from the Iowa DNR?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3.	Will the production site have more than 1000 animal units?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4.	Will this project enable expansion to 1000 animal units of a single type?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5.	The maximum balance for any SRF borrower is \$500,000. Borrower includes common ownership. Will the borrowers SRF balance exceed \$500,000?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

**If you answered "yes" to any of these five questions, the project is not eligible.**

**\*\*Common ownership** is defined as ownership as a sole proprietor or majority ownership interest. The majority ownership interest is a common ownership interest when it is held directly, indirectly through a spouse or dependent child, or both. **\*\*New operation** includes anything constructed after January 1, 2006 or production sites that have resumed after being discontinued for at least 12 months.

I agree that information in this application is accurate and true. I also agree the practice(s) being installed will benefit water quality and will be constructed to meet NRCS specifications. By signing this application, the applicant also agrees to the terms and conditions of the low interest loan program.

	<b>Applicant Name</b>	<b>Applicant Signature</b>	<b>Date</b>
1.			
	<b>Project Technician Name</b>	<b>Project Technician Signature</b>	<b>Date</b>
2.			
	<b>SWCD Chairperson Name</b>	<b>SWCD Chairperson Signature</b>	<b>Date</b>
3.			