

Low Interest Loan – Instructions & Conditions

- The purpose of the Low Interest Loan Program is to improve and protect the State’s water quality. The loan assistance is funded through the State Revolving Fund.
- Loan amounts related to conservation practices range from \$5,000 to \$50,000 with loan terms up to 10 years at an interest rate of no more than 3% - fixed for the life of the loan. Loans related to Animal Feeding Operations can be made for more than \$50,000 with terms up to 20 years. **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 can’t be expansion.**
- Loans can fund up to 100% of a project’s actual cost. 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.

Application Process

- Step 1 The landowner completes and signs the application and maintenance agreement. All practices must be constructed to meet NRCS specifications. Livestock facility improvements can use other recognized standards. For applications related to animal feeding operations, complete the supplemental questions related to your operation (note the application may be signed by someone other than the district conservationist).
- Step 2 SWCD Board Approval. SWCD commissioners act upon (deny or approve) the application based on the practices ability to protect or improve water quality. The chairperson will sign the application and maintenance agreement. A copy of the signed application should be faxed to 515 281-6170 or scanned and e-mailed to tony.toigo@iowaagriculture.gov
- Step 3 Loan approval. The landowner applies for a loan through a participating lender. The lender will pre approve a loan and reserve loan funds for the project at www.ifaprograms.com . A list of participating lenders can also be found on this website.
- Step 4 DSC will assign an approval number and notify the SWCD that the application has been approved. As soon as the district has the application number and loan approval from DSC, construction may begin. The project must be constructed to meet a recognized standard.
- Step 5 Project Inspection. The project technician will inspect the project and verify actual costs. The technician will complete a certification of practice form and e-mail or fax a copy to DSC.
- Step 6 DSC will coordinate payment between IFA & participating lender. At or prior to loan closing, the lender needs to request funds for the linked deposit by going to www.ifaprograms.com It’s VERY helpful for the landowner to contact the lender when the work is complete so the lender can promptly request the linked deposit and make the loan to the landowner.
- Step 7 Repay loan. The landowner repays the loan according to the terms agreed to with the lender.

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- Timely completion. The application is active for twelve months following the date the application is approved by the SWCD. If the project is not complete and the applicant hasn’t requested an extension, the application will be discarded.
 - Records: The landowner shall maintain records that document all costs associated with the project for not less than 3 years from the date of the final loan payment. The applicant shall provide the Division of Soil Conservation 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 withholding of loan disbursements. The applicant is responsible for ensuring that the identified problem is rectified.
 - 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 and kept in place for a period specified in the maintenance performance agreement, but in no case less than the life of the loan.
 - Applicant is responsible for obtaining all applicable permits. An application approval does NOT constitute a permit.



**For more information, contact your local SWCD or
Tony Toigo, Division of Soil Conservation
(515) 281-6148, tony.toigo@iowaagriculture.gov**

Low Interest Loan - Application

Name of Applicant	Phone	Email	SWCD (County)

Address	City	State	Zip

Township #	Range #	Section	1/4	1/4	1/4	HUC Number and HUC Name

Bank and Loan Officer Contact Information

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Practice or Practice Code	Quantity (ft, acres, quantity, etc)	Total Eligible Cost	– Other Funding	= Estimated Loan
TOTALS	-----			

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

FOR LIVESTOCK FEEDING OPERATIONS, PLEASE ATTACH COST ESTIMATES OR BIDS FROM THE CONTRACTOR(S). The costs reflected on this application should only show eligible costs. Eligible costs are those deemed necessary to improve or protect water quality. General operation and maintenance expenses are not eligible. Feed bunks, buildings over manure pits, electrical, plumbing, air handling equipment or any other item that isn't associated with storing, processing or handling waste from the animal feeding operation are not eligible. Equipment may be eligible IF the following conditions are met 1) It's necessary to implement a manure management plan 2) It's necessary as a result of a change in the way manure is managed 3) It is necessary to help maintain or improve water quality 4) The applicant hasn't already received a loan for the same type of equipment

I agree that the information contained in this application is accurate and the costs described above are accurately estimated and the practice(s) being installed will benefit water quality. By signing this application, the applicant also agrees to the terms and conditions of the low interest loan program.

1.	Applicant	Applicant Signature	Date
2.	Project Technician	Project Technician Signature	Date
3.	Chairperson	Chairperson Signature	Date

Your project 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 can begin.

Low Interest Loan – Application Supplement (Animal Feeding Operations)

	Current Operation			Proposed Operation		
	Head	factor	AU	Head	factor	AU
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	
Boars		0.4			0.4	
Gilts		0.4			0.4	
Finished (Market) hogs		0.4			0.4	
Nursery pigs 15 lb. to 55lb.		0.1			0.1	
Sheep and lambs		0.1			0.1	
Horses		2.0			2.0	
Turkeys 7 lb. or more		0.018			0.018	
Turkeys less than 7 lb.		0.0085			0.0085	
Broiler/Layer chickens 3 lb. or more		0.01			0.01	
Broiler/Layer chickens less than 3 lb.		0.0025			0.0025	
		TOTAL			TOTAL	

Describe your current operation. What changes are you planning to make to your operation with the loans funds?

How will the implementation of the project improve or protect water quality?

Livestock practices must be constructed to meet recognized standards. Please indicate what type of approval you are using and include supporting documentation with this form.

- USDA – NRCS Practice Approval (this application to be signed by NRCS)
- Professional Engineer (PE) Design Certification (DNR Form 542-8122 & this application to be signed by PE)
- Construction Design Statement (DNR Form 542-8068 & this application to be signed by contractor)
- Animal feeding operation and construction permit (permit number _____)
- DNR project review and Letter of Project Approval (this application to be signed by DNR representative)

The loan program requires a nutrient management plan (with phosphorus index) or a comprehensive nutrient management plan. Have you submitted this plan to the SWCD office or is a plan being developed as part of the project? YES NO

1) Is the proposed project a new operation (meaning no livestock presently onsite)?	<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 of a single species?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4) Is the animal feeding operation a CAFO or will this project enable expansion to CAFO status?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
If you answered “yes” to any of these four questions, the project is not eligible.		

Prepared by David L. Dorff, Ass't Att'y Gen., Iowa Dep't of Justice, State Capitol Complex
Des Moines, Iowa 50319., 515 281-5351: Return to;

Low Interest Loan Program Approval Number _____
County Soil and Water Conservation District.

This AGREEMENT is made and entered into by and between the _____ County Soil and Water Conservation District, herein called
DISTRICT, and _____, herein called RECIPIENT.

WITNESSETH:

District and Recipient hereby agree that this covenant is executed to satisfy the requirements of 567 Iowa Administrative Code Chapter 93. 567 Iowa Administrative Code Chapter 93 requires this covenant as a condition for receiving a Low Interest Loan and provides that the owner of the property herein described is personally liable through this agreement if the water quality practice herein named is not maintained or is removed, altered or modified while this AGREEMENT is in effect.

The Recipient hereby acknowledges receipt of a Low Interest Loan. The loan has been used to fund a water quality practice on land legally described as follows: _____, in the State of Iowa. Recipient hereby agrees the water quality practice implemented on the land described above shall be maintained, kept in place or operated for the term specified for each practice. This period shall begin upon the loan closing date. The Recipient or Recipient's successors hereby agree that if any unauthorized removal, alteration or modification of the water quality practice herein named occurs, the Recipient or Recipient's successors will maintain, repair or reconstruct the practice at his/her own expense. In the event of property transfer from the Recipient 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. Recipient hereby agrees to notify any prospective purchaser of the property herein described of the landowner's obligations created by this agreement before legal or equitable title to any portion of this property is transferred.

COVERAGE OF THIS AGREEMENT:

District and Recipient agree that the water quality practice(s) detailed in the following description will be maintained in accordance with federal, state and local laws as to not contribute to soil or water quality violations.

Type or Description of Practice(s) to be Maintained.

Signature of SWCD Chairperson	Date	Signature of RECIPIENT	Date

State of _____ County of _____

This instrument was acknowledged before me on _____, _____
Date

by _____,
Name(s) of Person(s)

Signature of Notary Public

Title (or Rank for Military Personnel)

