

Utah Petroleum Storage Tank Loan Fund

Application procedure

Loans are available from the Petroleum Storage Tank Loan Fund for upgrading, replacing, or permanently closing Underground Storage Tanks (USTs). To apply for a loan, submit the application to:

Division of Environmental Response and Remediation
PO Box 144840
Salt Lake City, Utah 84114-4840

When you complete the application you must:

- declare the loan amount you desire (see loan limits below).
- complete the balance sheet form or provide a separate comparable financial statement.
- include copies of your Federal and State income tax returns for the last two years. If you are applying for the loan as a corporation, you must include tax returns for the corporation and your personal returns.
- submit a contractor's bid for the work to be done.
- identify the personal or real property that will be used to secure the loan (for loans greater than \$15,000).

When the application is received, the Division of Environmental Response and Remediation (DERR) will perform an initial review to determine if you meet the eligibility requirements stated in the Utah UST Act and UST rules. If you meet the eligibility requirements, you will be notified, and the loan application review will be performed. If your loan application is not complete, you will have 60 days from the date of the eligibility notification to provide the missing information.

Limits on the amount you may borrow

The Utah UST Act limits the amount that may be loaned for an underground storage tank facility. These limits are:

1. the loan may be for a maximum of \$45,000 per facility
2. the loan may be for a maximum of \$15,000 per tank
3. the loan may be for a maximum of 80% of the total project costs

If the loan amount you request meets all the above criteria, that amount will be shown on the loan closing documents. If your requested amount does not meet these criteria, the loan amount will be adjusted to meet them. If your application is approved and you close the loan, the loan proceeds will be paid after the work is complete, the proper work invoices are received, and all notification and other requirements have been met. The amount you will receive will be based on the above statutory criteria and the invoices for the work done. The amount will be no more than the amount shown on the closing documents, and it may be less if the invoices indicate you are not eligible to receive the full amount that was set at closing.

You should ensure that the loan amount you request on the application takes into account any reasonable potential project cost increase, and that any security you pledge is adequate to secure that loan amount.

Timing of the work to be performed.

If your application is approved, you will receive the closing documents to sign and return to the DERR. After you return these documents, you must wait until you receive notice from the DERR that you may begin the project. You must not begin work until all the closing papers are filed and you are notified by phone from DERR. Loans can be made only for work that is performed after this notice is given.

If you have questions, please call **Gary Astin** at (801) 536-4103 or **Diane Hernandez** at (801) 536-4116.

PST Loan Fund Questions and Answers

Are there any fees for applying for or closing the loan?

No fees are charged for the application or closing the loan, but any costs you incur while preparing for the loan, such as property appraisals, financial reports, etc., are your responsibility.

Do I have to put up collateral for the loan?

If you request a loan of more than \$15,000, you must pledge property and/or other assets to secure the loan. The collateral must have sufficient value to be considered as a secondary source of repayment, if necessary. Personal guarantees are required if you are incorporated. In some cases, the UST facility property may be acceptable as collateral for the loan.

What are the terms of the loan?

Loans must be paid back over a time period not to exceed ten years. The interest rate is a fixed annual rate of 3%.

How do I determine the amount of financing needed?

As part of the application process, you must complete a work plan and obtain bids from contractors you may hire for the work. The work plan must be approved by the UST staff.

Do I have to use a state approved contractor?

All UST installers, removers, samplers and testers must be certified in the State of Utah. You must select a certified contractor.

When can I start my work?

After the loan application is reviewed and approved, closing papers will be sent to you by mail. Sign these papers and return them to the DERR. When all paperwork is completed and signed by all, you will be notified that the work on the facility may start. **Loans cannot cover any work done prior to this approval.**

How is the money disbursed?

After the work is complete and all testing and inspections are done, you should contact DERR for further instructions. Copies of all your invoices pertaining to the project must be forwarded to DERR. A review and approval of these invoices will be needed before the funds are disbursed. You will not receive more than 80% of the actual costs of the project, and the loan amount cannot exceed \$15,000 per tank or \$45,000 per facility. Costs in excess of the loan amount are your responsibility. Loan funds are paid to the applicant, and the payment is made in one check; multiple payments cannot be made.

How do I pay back the loan?

Re-payment of the loan will begin when the project is completed. A payment schedule will be arranged before closing. If your project goes over the due date indicated in the closing papers, we will amend the due date. No payments will be required before loan proceeds are disbursed.

How do I get more information?

Information and application forms are available at www.undergroundtanks.utah.gov/pst_loan.htm