Utah Petroleum Storage Tank Loan Program

Money is available from the Petroleum Storage Tank Trust Fund for loans for upgrading, replacing, or permanently closing underground storage tanks (USTs). Loans can be made for a maximum of 80% of the eligible project costs, up to $300,000 per facility, or $100,000 per tank if you have fewer than three tanks. The interest rate on loans made after July 1, 2014 is 0%. You must provide acceptable security for loans greater than $30,000. Repayment term is up to 10 years for a secured loan over $30,000, and 7 years for an unsecured loan of $30,000 or less.

Application Procedure
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 submit the application be sure to:
• Declare the loan amount you desire (see Maximum Amount You May Borrow below).
• Include a completed Balance Sheet form or 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 corporate and personal tax 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 $30,000).
• Request an initial disbursement of part of the loan proceeds (optional- see Initial Disbursement below).

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, the loan application review will proceed. If your loan application is not complete, you will have 60 days from the date of the eligibility review to provide the missing information.

Closing the Loan, 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 DERR. Loans can be made only for work that is performed after this notice is given.

Initial Disbursement
You may request an initial disbursement of part of the loan amount if your UST contractor requires a down payment of part of the cost of the job. If you wish to receive an initial disbursement, you must state the amount desired on the loan application and include a bid that specifies the amount required as a down payment by the contractor. The initial disbursement can be made for the amount of the required down payment, or for 40 percent of the loan amount, whichever is less. The initial disbursement will be made after you close the loan. If an initial disbursement is made, the remaining loan proceeds will be disbursed after the work is performed, as explained below. If you receive an initial disbursement, you must begin work within 60 days, and you must complete the job within 180 days of the initial disbursement.

Maximum Amount You May Borrow
The Utah UST Act limits the amount that may be loaned for an underground storage tank facility: a maximum of 80% of the eligible project costs, up to $300,000 per facility, or $100,000 per tank if you have fewer than three tanks. If the loan amount you request meets these 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 (or remaining loan proceeds if an initial disbursement was made) 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.

If you have questions, please contact the UST Section at (801) 536-4100 or Susan Woeppel at (801) 536-0040.

**PST Loan 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 $30,000, 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 (seven years for an unsecured loan of $30,000 or less). Loans made after July 1, 2014 have an interest rate of 0%.

**What costs are eligible?**
Loans can be made for upgrading, replacing, or permanently closing regulated underground storage tanks. Loans cannot be made for costs for canopies, dispensers, or other components that are not directly part of the regulated UST system. Loans cannot be made for any costs of cleanup or remediation of UST releases or spills.

**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 certified contractors, and submit bids from the contractors you plan to use.

**When can I start my work?**
After the loan application is reviewed and approved, closing papers will be sent to you. 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, contact DERR for further instructions. Send all your invoices pertaining to the project to the DERR. A review and approval of these invoices will be done before the funds are disbursed. You will not receive more than 80% of the actual costs of eligible work, up to $150,000 per facility or $50,000 per tank if you have fewer than three tanks. Costs in excess of the loan amount are your responsibility. Loan funds are disbursed to the applicant.

**How do I pay back the loan?**
Re-payment of the loan will begin after loan proceeds are disbursed. A payment schedule will be arranged before closing. If your project goes beyond the first payment due date indicated in the closing papers, the due date will be amended. No payments will be required before loan proceeds are disbursed.