



Pollution Liability Insurance Agency
Pilot Heating Oil Loan and Grant Program



Program Questions and Answers from May-June 2021 meetings.

Q: How will the loan program serve the needs of low-income homeowners? For example, homeowners who may not be able to afford another monthly loan payment?

A: The primary goal of PLIA's program is to address cleanup and prevent future releases by upgrading, replacing, decommissioning or removing heating oil systems. There was no legislative directive to develop the program to meet needs of different homeowner income brackets. However, PLIA has heard that a loan and grant program may need to specifically address unique needs for low-income homeowners. This is a pilot program which gives PLIA the flexibility to implement the program while also obtaining data about financially vulnerable homeowners. We realize that there are low-income households needing financial assistance with cleanup and/or preventative measures who cannot afford to assume a loan. PLIA is working on collecting income information on heating tank owners to assess the level of state need. From the data collected, PLIA can then make accommodating program updates to assist these households.

Q: What are the underwriting criteria for loans. Is there a loan to value requirement? Will credit scores be used? How have the underwriting approach been developed to ensure that it does not preclude low-income homeowners from being able to utilize the program?

A: PLIA contracts with the Department of Health (DOH) to conduct financial underwriting and analysis. This includes evaluation of income, debt, credit scores, and other factors to identify affordability. DOH's underwriting approach does not preclude financially vulnerable households because it will consider other factors. PLIA will not offer a loan if it is unaffordable or places financial strain on a homeowner.

Q: If low income homes are unable to afford these loans, are there other programs you would be able to refer clients to?

A: PLIA will refer clients to the Department of Commerce's Weatherization Programs which offers assistance specifically to low-income households. More information can be found on their [website](#).

Q: The loan and grant program asks for a denial of insurance coverage. How does a



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reservation of rights letter affect this?

A: The loan and grant program has limited funding – if a homeowner has a viable insurance claim to cover costs of cleanup/preventative measures then PLIA is directing them to complete work under their insurance coverage before seeking a loan or grant. If the insurer requires an investigation and issues a reservation of rights letter, then PLIA will obtain confirmation of insurance denial before considering an application complete. In PLIA’s experience, most homeowner’s insurance policies do not cover contamination from heating oil tanks on the source property. However, some insurers will pay for cleanup expenses when a 3rd party, such as a neighbor, is impacted.

Q: When will those specifics on the underwriting criteria and approach be shared?

A: Program underwriting is conducted by DOH. The DOH underwriter will specifically address criteria, approach, and analysis directly with the applicant.

Q: How are recipients selected? I assume more applications would be received than the current capacity.

A: PLIA will accept the first 35 completed applications during the open application period. We anticipate the number of applications will exceed the program’s appropriated funding amount of \$4 million.

Q: As a weatherization agency, how can we check to see if a home is already registered within the PLIA system?

A: Please contact PLIA with the address of the property, and we can look up to determine whether or not the heating oil tank has been registered. You may also contact [Kory Neidich](#) to determine if someone has been accepted into the Pilot Heating Oil Loan and Grant Program.

Q: Who is the contact person if we have questions related to whether a weatherization client would qualify for any of the programs?

A: Please contact [Kory Neidich](#).



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Q: I moved into a house with a buried oil tank and unfortunately didn't find out about the 180-day transfer window until I was just outside of it. I'd like to replace the buried oil tank with an electric heat pump but the cost savings I'll get on my monthly heating bills just don't make it worth it. What financial assistance is available to me through the Heating Oil Loan and Grant Program?

A: You may apply for a program loan. The interest rate and 30-year term can make it affordable to pay for an infrastructure upgrade or heating system replacement.

Q: Does the program include those whose property is affected by someone else's leaking heating oil tank or does the other person need to apply?

A: Anyone with a heating oil tank may apply to the program. If the affected property does not have a heating oil tank, then this homeowner cannot apply. However, under the Model Toxics Control Act regulations ([Chapter 173-340 WAC](#)) the source property (where the leak originated) is responsible for paying for and addressing the cleanup. PLIA suggests consulting with an attorney if your home is affected by another property.

Q: What's the timeline for the Heating Oil Loan and Grant Program? When would an applicant find out that they've been accepted or rejected?

A: The application period begins June 7th, 2021 and lasts for 45 days. PLIA will accept the first 35 completed applications and in the order in which they are received. Applicants with incomplete applications will be notified and given 10 days to submit any missing application materials. Accepted applicants will be notified PLIA may extend the application period beyond 45 days if our office does not receive 35 completed applications.

Q: Is this the only time you guys take applications this year? (Also, is this a recurring program, in other words, is it offered every year?)

A: The program is offered every year provided that funding is available. PLIA will keep the public apprised of the application period through our [website](#).

Q: Is the information on your slides available in the document?

A: Yes. The [Guidance](#) document contains all the information shared during the presentation. The



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slides are also available for review on our website.

Q: Is the guidance document set or are you taking feedback for changes?

A: PLIA accepts feedback at anytime. We are administering this program as a pilot while we also assess needs from and opportunities for heating oil tank owners. Feedback received during the pilot will help us improve the program.

Q: How have decommissioning companies been involved in this process?

A: During the 2020 legislative process, PLIA contacted agency stakeholders including service providers and consultants who perform tank decommissioning. We also shared information about the pilot program through direct emails and our website. PLIA solicited applications from service providers and consultants and performed interviews to establish prime consultants willing to perform the Preliminary Planning Assessments for the program.

Q: Is there is a list of certified tank decommissioning contractors for the state?

A: PLIA does not endorse or make recommendations.

Q: Can you provide more details on how low-income stakeholders were consulted on this Pilot?

A: PLIA conducted outreach to our agency stakeholders during development of this pilot. We also contacted other agencies and groups who work directly with financially vulnerable tank owners to identify effective ways to communicate the benefits of this pilot program. PLIA hoped to attract attention to the program by hosting virtual informational meetings. We continue to collect data about financially vulnerable heating oil tank owners because such information is not readily accessible.

Q: Are you tracking demographic outcomes? Does the program have set goals for social and racial equity?

A: Yes, PLIA intends to collect demographic data about heating oil tank owners during program administration. With guidance from Washington State Office of Equity and the



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environmental justice recommendations adopted by the state, PLIA will establish program goals and parameters to address social and racial disparities.

Q: Is the enrollment fee still \$1,000 if someone is not enrolled in the program?

A: Yes, the enrollment fee for HOTAP is \$1,000 for anyone regardless of participation in the Pilot Heating Oil Loan and Grant Program. Participants in the Pilot Heating Oil Loan and Grant Program who enroll in HOTAP will have the \$1,000 fee paid by a grant.

Q: Do owners apply at the time of need or is there any preemptive action needed to qualify for the program?

A. Heating oil tank owners are encouraged to apply if there is interest in addressing cleanup and/or infrastructure upgrades. There is no preemptive action to take in order to qualify, but there are some procedures to take after applying and prior to funding. These procedures are outlined in the Guidance document.

Q: Is it more environmentally friendly to decommission a tank in place or remove it? How would the cost vary?

A: The requirements and guidelines for decommissioning a tank is set by jurisdiction and the local fire marshal. Removing a tank allows an owner to fully assess whether or not contamination exists and how much cleanup is needed. The costs are determined by amount of work required to remove the tank and/or the level of cleanup and may vary by service providers and consultants.