



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



Program Questions and Answers.

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](#).



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



Q: The loan and grant program asks for a denial of insurance coverage. How does a 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 [Marissa Klumpp](#) 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 [Marissa Klumpp](#).



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



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](#).



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



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 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



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Heating Oil Loan and Grant Program



program administration. With guidance from Washington State Office of Equity and the 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 \$1,300 if someone is not enrolled in the program?

A: Effective July 1, 2023, the enrollment fee for TAP heating oil sites is \$1,500 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 Heating Oil TAP will have the \$1,500 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.

Q: What are the interest rates?

A: The interest rate is set to the Prime Rate as of March 1 of the year you applied to the program.

Q: How long do I have to pay back the loan?

A: The loan term is 30 years. There is no pre-payment penalty if you choose to pay it off sooner.



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



Q: Is this for low income only?

A: No, anyone can apply!

Q: Out of the \$70,000, how much goes to which task (i.e., cleanup, decommissioning, converting to new heating source)?

A: The total loan amount can be used to cover any combination of tank removal/decommissioning costs, any potential cleanup costs not covered by other insurance, and/or the upgrade of the heating system or installation of new infrastructure.

Q: What is the grant for? What is a PPA? What is a Site Characterization, and why can the grant money only be used for that?

A: The first step in the Loan & Grant Program, is a PPA – Preliminary Planning Assessment, which includes site characterization. Site characterization is the process of collecting data about any contamination that may be present to determine the amount of impacted area and the concentration of the contamination. The PPA also includes development of a cost estimate for cleanup and/or infrastructure upgrades. The PPA is covered by a grant of up to \$7,000. The PPA work is conducted by a PLIA-contracted environmental consultant. Any accepted applicant receives this grant and completes this first step if they plan to move forward under the program.

Q: Can I apply if I'm about to start a cleanup or are in the middle of a cleanup?

A: Yes, you can apply to the Loan & Grant Program if you are at the start of a cleanup, in need of additional cleanup funds, or to upgrade or replace infrastructure after a cleanup.

Q: Once accepted into the program is there a time limit on how long I can wait before starting any action?

A: Once accepted, you'll have to follow our program processes and timelines if you wish to receive funding. We will notify you of any due dates for requested materials, and if the materials are not provided in time, your project can be terminated from the program. We will work with you to schedule data collection and cleanup activities.



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



Q: What financial documents do I need to submit?

A: Depending on your employment status, we ask for different types of documentation.

- **Employed Individuals:** Prior year W-2 form and two recent paycheck statements.
- **Self-Employed Individuals:** Three years of tax returns; PLIA may request additional documentation.
- **Retired Individuals, and/or those receiving Social Security:** W-2, 1099, or 1040 – whichever form shows your income.
- **Businesses:**
 - S-Corp or C-Corp: Business license, articles of incorporation, 3 years of business tax returns.
 - LLC: LLC agreement, business license, 3 years of tax returns.
 - Sole Proprietors: 3 years personal tax returns, including the Schedule C, and the business license.

Q: What does the application process involve?

A: You will submit a completed application through the Online Community, submit the appropriate financial information and any existing cleanup data or reports, and complete a State Environmental Policy Act (SEPA) Checklist.

Q: If there is confirmed contamination on my property but several months remain until the application cycle opens again, can I wait to start a cleanup?

A: It's up to you on when you'd like to start your cleanup. You should always make sure to have a leaking tank emptied right away by a service provider, so contamination doesn't expand.

Q: What if I have heating oil insurance? Can I participate in both programs?

A: Yes, if you are registered in the Heating Oil Insurance Program (HOIP), you can still use your HOIP funds for cleanup activities and apply for Loan and Grant Program funds for tank decommissioning/removal or upgrading your heating system.



Pollution Liability Insurance Agency
Heating Oil Loan and Grant Program



Q: If contamination is found, do I have to clean it up? Can I just get my new heating system?

A: Although cleanup action under PLIA's program is voluntary, we prioritize applicants with cleanup needs over those only seeking to upgrade their infrastructure. Also, if contamination is identified, it must be reported to the [Dept. of Ecology's Environmental Report Tracking System \(ERTS\)](#). While Ecology primarily focuses on higher risk cleanup sites, they do have the authority to enforce cleanup of heating oil sites.