



**Submitted Testimony of  
Adam Zimmerman, President and CEO  
Craft3  
before the  
Oregon State Senate  
Committee on Environment and Natural Resources  
March 6, 2017**

Thank you Chairman Dembrow, Vice Chair Olsen, and members of the Committee. My name is Adam Zimmerman. I am President and CEO of Craft3, a nonprofit community development financial institution serving residents and businesses in Oregon and Washington. We have offices in Astoria, Bend, and Portland, Oregon.

I speak today in support of S.B. 812, which would make three technical fixes to the State of Oregon's nascent, but growing affordable septic system replacement program.

As you may know, DEQ selected Craft3 through a competitive process last fall to be the third-party administrator of the program. The award was for \$200,000 to begin offering what we call our Clean Water Loan statewide in Oregon.

Because we are a nonprofit, we were able to use the state's funds to leverage private capital – an additional \$350,000 in awards from the Meyer Memorial Trust and Laird Norton Family Foundation.

In less than four months, the program is serving Oregonians statewide. We've already approved 14 loans for more than \$340,000 in 14 cities (11 counties) from Deschutes to Coos; our median loan size is \$23,345. These new systems will treat over 1.5 million gallons of wastewater annually, resulting in healthier communities and natural systems.

The first two changes in S.B. 812 would further clarify the program's focus and intent. More important, though, is the other proposed change.

While the Craft3 Clean Water Loan covers 100 percent of the replacement cost for a failing septic system including design, installation, and ongoing maintenance, we do not require borrowers to borrow 100 percent of the cost because some have other capital available they'd prefer to contribute to the project.

Unfortunately, upon implementation of the program, it was discovered that the original enacting legislation requires borrowers to borrow the full – and no less – amount required to replace a failed system.



While in some instances borrowers need or require to take out a loan for the full amount of a system, we do not want to *require* small businesses or homeowners to borrow more than they want. This correction would also help stretch the dollars available to make loans to other customers.

I will be happy to answer any questions, and encourage your support of this “technical fix” bill that would improve Oregon’s affordable septic loan program.

### **About Craft3**

Craft3 is a nonprofit community development financial institution with a mission to strengthen economic, ecological and family resilience in Pacific Northwest communities. They do this by specializing in loans to businesses and individuals and others who don’t normally have access to financing. Craft3 then complements these financial resources with expertise, personal connections and other advocacy for their clients. Since 1994, Craft3 has invested more than \$400 million in Washington and Oregon’s people and communities. Learn more at [www.Craft3.org](http://www.Craft3.org) and [www.Craft3.org/Videos](http://www.Craft3.org/Videos).