

Mower County ISTS Loan Program

The application must be completed including name, address, PIN (Parcel Identification Number – can be found on tax statement) and telephone number. Applications will be on a first come first served basis. The following conditions will apply to loans granted under this program.

1. Only existing Mower County single family residences will qualify.
2. The existing system must be a failing/non-conforming system according to MPCA 7080-7083.
3. The applicant must submit plans and specifications as required by Mower County Ordinance.
4. The ISTS system installed under this program must be installed by a MPCA licensed ISTS installer.
5. The county currently will loan up to \$7,500 for an in-ground system or up to \$10,500 for a mound system per applicant which may include site evaluation, engineering, compliance inspection fees and installation. Any cost over the limit for each system will be the responsibility of the property owner. These loan limits may be changed by motion of the Mower County Board of Commissioners.
6. A 3% interest rate will be charged on the unpaid balance.
7. The loan is not assumable and must be paid off before a property transfer or refinancing could take place.
8. Property Taxes must be current for loan eligibility.
9. The applicant will have ten (10) years for repayment.
10. Principal and interest payments will be collected on the property tax unless prepaid each year to the Mower County Treasurer before December 1st.
11. County funds can not be used to reimburse for system installation prior to an application approved by the County, however, reimbursement may be made for site evaluations and design conducted prior to application if the system is installed and funded under this program.
12. Installation of the ISTS must be completed within six months of application approval.
13. Homeowner/Borrower must pay for recording fee to record the Lien before the check will be issued to the ISTS contractor.

REQUEST FOR A SEPTIC SYSTEMS LOAN

Marital Status: Single Married

Name: _____
List name of property owner(s) as it is listed on tax records

Address: _____

City/State: _____ Cell Phone (____) _____
Home Phone (____) _____

Parcel Number: _____ Acres: _____

Is this property under a contract for deed? **Yes** or **No** (Please circle)

Torrens / Abstract Property (Please circle)

System Needed: **Mound** or **In-Ground** (Please circle)

(As determined by licensed contractor) Septic Installer: _____

Amount requested \$_____.00
(Up to \$10,500 for Mound, \$7,500 for In-Ground)

***** FULL LEGAL DESCRIPTION** Please attach a copy of your **full legal description**.
This can be found from documents such as a warranty deed or Torrens certificate, which ever is applicable. Or you may obtain a copy of the legal description from the County Recorder for a nominal fee. **The description from your tax statement will not be accepted.**

Borrower Signature (All property owners must sign above) Date

Return this form to: Mower County Public Works
1105 8th Avenue NE
Austin, MN 55912

Certification of Authorized Representative:

This form certifies that the proposed activity meets a priority need identified in the local comprehensive water management plan, is eligible for funding under the Environmental Protection agency or other applicable guidelines, and is in compliance with accepted standards, specifications, or criteria.

Authorized Representative Date

Loan: Dept. of Ag Mower County

Mower County Loan Program Individual Sewage Treatment System

Questions have been raised from individuals interested in Mower County's loan program for homeowners wishing to replace their existing individual sewage treatment system. Below is a chart showing what you can expect for payment amounts if you participate in Mower County's loan program. Remember, the loan is at 3% interest for ten years and is placed on the Mower County taxes you pay. Taxes are due and payable two times per year (May and October), so you will have twenty total payments.

Amount Borrowed (add 3% interest)	Expected Payment (May & Oct) for 10 yrs.
\$7,500.00	\$ 437.00
\$9,000.00	\$ 526.00
\$10,500.00	\$ 612.00

These are not exact figures, but will give you an idea of what your payments will look like (in addition to your normal taxes). The assessed amount will appear on your tax statement as a special assessment. Remember, if you escrow your taxes with your mortgage company, your house payment will need to increase to cover this cost when your taxes come due.

**Mower County Procedural Guide
for Mower County
ISTS Loan Program**

SECTION 1 – PURPOSE OF PROCEDURAL GUIDE

- 1.1 This Individual Sewage Treatment System (ISTS) Loan Procedural Guide establishes guidelines and procedures for administration of the Mower County ISTS Program

SECTION 2 – DEFINITIONS

2.1 ISTS Loan

ISTS Loan or “Loan” means the commitment of funds on behalf of recipients for the purpose of making eligible improvements to eligible properties as described in these Procedural Guides. Loans will be installment – which requires repayment of the principle at 3 percent interest per year with a 10 year term.

2.2 Recipient

“Recipient” means an individual or household meeting the requirements of these Procedural guides who applies for and receives a loan.

2.3 Loan Package

The “Loan Package” consists of a loan application and all other information required by the Minnesota Department of Agriculture and/or Mower County.

2.4 “Recording fee” – The homeowner/borrower must pay the recording fee to record the Lien before the check will be issued to the ISTS contractor.

2.5 Resident

“Resident” means a person, other than a renter, living in the household for at least 9 months of the year.

2.6 Mower County Environmental Services Department

Mower County Environmental Services Department is the Administrative Agency for Individual Sewage Treatment System Funds. The Environmental Services Department as administrator will assume responsibility for soliciting, collecting, and processing applications, developing bid specifications and awarding bids, determining financial obligations of property owners, and monitoring construction and approving disbursements of funds to contractors.

- 2.7 As-Builts – “As Builts” means drawings and documentation specifying the final in-place location, size and type of all system components. These records identify the results of materials testing and describe conditions during construction.

SECTION 3 – ELIGIBILITY

- 3.1 The Mower County Environmental Services Department must obtain the following Information from the Register of Deeds regarding each property:

The full names of all owners of record, including first name, last name, middle name, or initial and any additional names which may appear in the records, such as maiden names.

A determination of the system under which the property is recorded – either Torrens or Abstract

- 3.2 Upon obtaining this information, the Mower County Environmental Services Department must determine that the applicants individually or in the aggregate have qualifying interest in the property consisting of the least:

- A valid life estate. Such life estate must be recorded and must appear in the records of the County; or
- A 1/3 interest in the fee title. Such interest may be subject to mortgage, or
- A 1/3 interest as a purchaser in a contract of deed with respect to the structure being improved.

All individuals having an ownership interest in such structure must join in the loan application.

- 3.3 Eligibility of the Property
To be eligible, the property to be improved:

- Must conform to all applicable zoning ordinances and possess all appropriate use permits.
- Must be used primarily for residential purposes.
- Must be a permanent structure. Mobile homes and trailers are eligible ONLY IF the wheels and axles are removed and are taxed as real property.
- Must lie outside cities that have a municipal sewer system or be deemed not feasible to connect to the municipal system
- Must be within Mower County, Minnesota

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3.4 Eligibility of Improvements

- Replacement or repair to bring in to compliance an existing failing or non-conforming Individual Sewage Treatment System and the necessary plumbing.
- Site evaluation (MPCA licensed designers)
- Design of new system (plans & specs prepared by MPCA licensed designer)
- In-place abandonment of existing failed, non-conforming or substandard systems
- Construction costs of new system (MPCA certified contractor)
- Easements (for cluster systems)
- Land purchase for drain fields
- Individual or cluster systems
- ISTS Fee

3.5 Ineligible Improvements

- ISTS for a new dwelling unit
- Limitation. Loans may not be used to facilitate new building construction. As used in this subdivision, “facilitate new building construction” includes increasing capacity of an individual sewage treatment system beyond what is reasonably required to serve existing buildings and lots in existing recorded plats.

3.6 **CONTRACTOR REQUIREMENTS:** The contractor must be a Minnesota Pollution Control Agency (MPCA) licensed ISTS designer, installer or evaluator, whichever applies to the work conducted. The contractor shall be responsible for providing an “as-built” drawing of the system to Mower County Environmental Services. The as-built must be received by the department before the check will be issued.

3.7 **APPLICABILITY OF CODES:** ISTS improvement must be made in compliance with the MPCA 7080 Code.

3.8 **ASSUMPTION:** The loan is not assumable and would need to be satisfied before a property transfer or a refinance could take place.

3.9 **SALE:** The recipient shall notify the county immediately upon the sale, transfer, or conveyance of the residents of the property.

3.10 **PROPERTY TAX:** Taxes on the property must be current. Properties which are Delinquent or in Confession of Judgement are ineligible for the loan. Property Tax Delinquency and Confession of Judgement status will be determined in accordance with Minnesota Statutes Chapters 277 and 279.

SECTION 4 – RESPONSIBILITIES OF ADMINISTERING ENTITIES

4.1 Outreach and Public Information

The Mower County Environmental Services Department will be primarily responsible for the promotion of the loan program at the local level. The Mower county Environmental Services Department will exercise care in avoiding any advertising or outreach methods which may be deemed to systematically exclude potentially eligible applicants. Access to program materials may not be denied to any person for any reason.

4.2 Application Selection and Approval

The following factors will be considered in selection:

- a) Applicants will be accepted throughout the entire length of the program or until funds are expended.
- b) No eligible applicant shall be selected or rejected on the basis of judgments as to personal character or life-style.
- c) Applications will be rated on a first come first serve basis per date of completed application.
- d) Letters of rejection will be issued to applicants who are not selected stating the reason for rejection.

4.3 Appeals for rejection can be made to the Mower County Environmental Services Department. The appeal must be in writing and no later than 15 calendar days after the date of the rejection letter.

4.4 Mower County will work with all applicants to resolve complaints.

4.5 Inspection of Properties

The Mower County Environmental Services Department shall be responsible for carrying out a minimum of one inspection of each approved property.

After all work is finished, the inspection shall take place to determine that all work has been completed in a satisfactory manner and in compliance with MPCA 7080-7083 funds disbursement.

4.6 Preparation of Individual Sewage Treatment System Site Evaluation

The County shall require the completion of an Individual Sewage Treatment System site evaluation before any loan is made. The site evaluation must be completed by a MPCA licensed designer. The applicant has six months after submitting application to provide site evaluation and plans to the County Environmental Services Department. If not received within this time, applicant will be removed from the list and the next person will be contacted.

4.7 Preparation of Work Write-ups and Cost Estimates

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4.8 Preparation of Loans

The Mower County Environmental Services Department shall be responsible for the thorough and accurate completion of all program documents.

The Mower County Environmental Services Department will provide any necessary assistance to applicants in the preparation of any program forms which are necessary for packaging the loans.

4.9 Fund Disbursement

Partial disbursement of funds may be authorized by the Mower County Environmental Services Department after:

- a) An interim inspection is conducted;
- b) It is determined that the specific work for which payment is requested have been completed in a satisfactory manner;
- c) A Lien Waiver has been submitted;
- d) A Lien has been signed by applicant.

SECTION 5 – CONTENTS FILE

The Mower County Environmental Services Department shall supply the following items in the Loan File.

- a) Applicant for loan
- b) Lien
- c) Lien Waiver
- d) Property Title Verification

Original documents will be maintained in the applicant's files of the Mower County Environmental Services Department.

SECTION 6 – LOAN

6.1 Terms of the loan –

- a) 3% interest on the unpaid balance
- b) Up to 10 years for repayment
- c) The loan is not assumable
- d) Principal and interest payments will be collected on property taxes unless prepaid each year to the Mower County Treasurer before December 1st.

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- e) The county will loan up to \$7,500 for an in-ground system or \$10,500 for a mound system which may include site evaluation, engineering, compliance inspection fees, installation, etc. Any amount over the loan limit is the responsibility of the property owner.
- f) Assessments. Any amount loaned under the program, including accruing interest, shall be a lien against the real property for which the improvement was made and shall be assessed against the property or properties benefited unless the amount is prepaid. An amount loaned under the program and assessed against the property shall be a priority lien only against subsequent liens unless subordinated by action of the Mower County shall provide the property owner a notice that states the following information:
 - 1. The amount to be specially assessed against the property;
 - 2. The right of the property owner to prepay the entire assessment;
 - 3. The public official to who repayment must be made;
 - 4. The time within which repayment must be made without the assessment of interest;
 - 5. The rate of interest to be accrued if the assessment is not prepaid within the required time period
 - 6. The period of the assessment;
 - 7. Property owners have the right to prepay the assessment.

SECTION 7 – AMENDMENT

These policies may be amended by motion of the Mower County Board of Commissioners.