

Mower County Septic Loan Summary

This is a brief summary of the process and the County's adopted Septic loan policy.

If for any reason this summary and the adopted policy are in conflict, the adopted policy shall prevail.

The full policy is included in the application packet. The packet is available on the County's website or from the Environmental Services Dept.

The Environmental Services Staff will be happy to assist you in completing this application, should you need help.

- The application must be completed in full and include a written estimate to be accepted for review.
- Loan eligibility requirements of the policy must be met.
- Mower County will fund up to 90% of qualifying costs for a replacement septic system.
- Loan proceeds from Mower County will be disbursed on a first-come / first-serve basis until available loan funds are exhausted.
- Applicants will be notified in writing if the project qualifies for funding or not.
- This loan program is exclusively for owner-occupied, single-family dwellings.
- Septic systems must be installed within 6 months of loan approval.
- Mower County cannot pay for work that has been already performed onsite, except for pre-design soils review and associated septic design/application costs.
- The purpose and intent of this loan program is to correct existing pollution problems related to an existing septic system. This loan program cannot pay for septic system expansion. A landowner may choose to expand the new system, but those costs related to enlarging the system shall be paid for by the landowner. The septic contractor will have to break out the expansion costs in their estimate and final bill so the county can determine 90% of the eligible costs.
- The septic system must be designed and installed by a state licensed septic contractor.
- A 3% interest rate is charged on any unpaid loan balance.
- The landowner(s) must sign a promissory note for repayment; be aware that repayment amount will be assessed to the subject property and that an Assessment from Mower County will be Recorded against the subject property and show up on property tax statements. The loan will be repayable when property taxes are due annually for a period not to exceed 10 years.
- Mower County will issue one check to the primary septic contractor. Any subsidiary contractors must be either paid by the primary contractor or out of pocket by the homeowner.
- The Mower County Board of Commissioners may change lending limits, at any time.
- The loan is not assumable and must be paid in full at the time of property transfer.

ESTIMATED REPAYMENT AMOUNTS

The amounts below are simply examples of what the cost may be. The table below reflects FIRST year's estimations; repayment amounts will decrease as the principal is paid down. The assessed amount will appear on your tax statement as a special assessment.

Please remember, if you escrow your taxes through your mortgage company, your monthly house payment will increase to cover this added expense; so, the funds are available when your property taxes come due.

Amount Borrowed	Expected monthly repayment with the added 3% interest	Expected annual and bi-annual payment due along with taxes	Expected interest paid in 10-years
\$20,000.00	216.67	\$2,600 / \$1300	\$3,240.00
\$25,000.00	270.83	\$3,250 / \$1625	\$4,050.00
\$30,000.00	325.00	\$3,900 / 1,950	\$4,860.00

Mower County Septic Loan Summary

ES = Environmental Services

	Steps in process	Responsible Party	Responsibility	
	Step 1	Applicant	Complete application, Tennessee Warning, Data Privacy Statement, be sure to include written estimate from septic contractor : submit application to Environmental Services.	
	Step 2A:	ES	Notice of Acceptance (or denial). Mail important documents to applicant.	
	2B – if denied	Applicant	For a Denial	Applicant has option to appeal
	Step 3	Applicant	Sign Promissory Note in front of a Notary. Return signed Promissory Note & pay recording fee to Environmental Services within 7 days of receipt of documents.	
	If you have not already done so	Applicant / Contractor	Obtain Septic Permit for SSTS installation	
	Step 4	Contractor	SSTS Permit received: Install septic system	
	4B	ES	Pending final inspection if system is compliant; a Certificate of Compliance (COC) is issued by County.	
	Step 5	Contractor	Installer sends <u>final</u> invoice to homeowner and county	
	5B	ES / Contractor	County will send Installer Waiver via email to contractor, contractor to complete & return	
	Step 6	ES	County will process final paperwork: <ul style="list-style-type: none"> • Assessment – for County Board • May need to modify promissory note for changes reflected on final invoice. • Place Assessment on County Board's Agenda 	
	Step 7	ES	After board approval & signature obtained: Administrator's Office will record Assessment in Office of County Recorder.	
	Step 8	ES	County will process payment to: Finance Department for a check & complete paperwork to State to obtain funds	
	Step 9	ES	Upon receipt of check file reviewed for proper documents on file, contractor waiver must be in file to release check. If waiver is on file, Check is released or mailed to contractor.	
	Step 10	ES	<u>Copy</u> of check, original recorded Assessment document, COC and SSTS homeowner's packet is mailed to applicant.	
	Step 11	ES	Closes loan file.	
	Step 12	Applicant	Continues payments to county until loan is paid in full. Note: Repayment will begin following year of install.	

SSTS LOAN APPLICATION

Full Name: _____
List name of property owner(s) as listed on tax records: First, Middle, Last & date of birth, relationship. *Additional pages may be submitted*

Full Name: _____
List name of property owner(s) as it is listed on tax records: First, Middle, Last & date of birth, relationship

Address: _____

City/State: _____ Parcel Number: _____

Email – to contact you if questions/ issues arise: _____

Primary phone #: (_____) _____ home phone cell phone Parcel Acreage: _____

Anticipated amount requested: \$ _____ .00 (Up to 90% of eligible costs – please attach cost estimate from SSTS contractor for all eligible costs for this project.)

Type of System: *as determined by the SSTS designer:* Mound/At-grade or Trench (in ground)

Is this property under a contract for deed? Yes No (check one)

Is this property under a life estate, trust, or deed of distribution: Yes No (check one)
All owners and their spouses, if applicable, must be listed and sign this loan document.

Are all property taxes in Mower County under ownership of the above-listed applicants current?
Yes No (check one)

Have all property taxes in Mower County been current in the past 3-years for a period not exceeding 3-months? Yes No (check one)

Have any of the above-listed loan applicants file bankruptcy in the past 5 years? Yes No

Full time resident (occupied 12- months in any given year by the owner(s)?) Yes No:
If not full-time how many months per year is the dwelling occupied by the owner(s): _____

Septic Installer will be: _____

AGREEMENT: I hereby certify that the information contained herein is true and correct and am agreeing to the loan being repaid to Mower County as an assessment against the above-listed property. I have received, reviewed and understand Mower County's STS loan policy and I am agreeing to the terms and conditions set forth by that adopted policy.

(You may attach additional sheets necessary for all owners' signatures; all property owners must sign the application.)

Borrower's signatures next page

Affiant

(signature)

Signed and sworn to before me on _____, by _____

(insert name of Affiant)

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

Affiant

(signature)

Signed and sworn to before me on _____, by _____

(insert name of Affiant)

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

Attach additional signature sheets as needed.

Affiant

(signature)

Signed and sworn to before me on _____, by _____

(insert name of Affiant)

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

Affiant

(signature)

Signed and sworn to before me on _____, by _____

(insert name of Affiant)

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

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.

County Authorized Representative

Date

TENNESSON WARNING: DATA PRIVACY STATEMENT TO BE READ BEFORE SIGNING

All information you provide about you and your household is considered private data as defined by the Minnesota Government Data Practices Act.

The information collected from you or from other agencies or individuals (authorized by you) is used to determine your eligibility for the rehabilitation program. You are not required to provide any information regarding your marital status or race. However, on occasion this information is vital to determine to what extent our programs are used by minorities or certain types of households. All other information on the form is required to determine your eligibility for participation in this program or required by the State or Federal agency funding for your loan.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff who are involved in program administration;
- Auditors who perform required audits of our programs;
- State and Federal agencies providing funding assistance to your loan;
- Those persons authorized to see it;
- Law Enforcement personnel in the case of suspected fraud.

Unless otherwise authorized by State Statute or Federal Law, other government agencies using the private data must also treat it as private. You may wish to exercise your rights as contained in the Minnesota Government Practices Act. The rights include:

- The right to see and obtain copies of all the data maintained on you.
- Be told the contents and meaning of the data.
- Challenge the accuracy and completeness of the data.
- To exercise these rights contact 507-437-7118.

To the best of my knowledge the information included in the application is accurate and true. I give my permission to this agency to verify my eligibility and share necessary private data with those who need to know or are required by Federal and State Law to know it. I understand that I will be prosecuted for fraud and perjury under Minnesota Statutes if I knowingly provide false information.

I may appeal for a review of my application if assistance is denied.

Applicant's signature: _____

Date: _____

Applicant's signature _____

Date: _____

Applicant's signature _____

Date: _____

Applicant's signature _____

Date: _____

MINNESOTA PRIVACY RIGHTS

This sheet tells you about your rights under the Minnesota Government Data Practices Act. This Act protects your privacy, but also lets us give information about you to others if a law requires it and we tell you before we do it. This sheet tells when and why we will ask for and/or give information about you. It applies to all future contracts you have with this agency. Those contacts may be in person, by mail, or on the telephone.

Why do we ask you for information? We may ask you for information so we can:

- Tell you from other persons by the same or similar name
- Decide if you can get money or services from us and what or how much you can get
- Help you get financial services.
- Collect money from the state or federal government for help we give you.
- Make reports, do research, audit and evaluate our programs.
- Investigate reports of people who may lie about the help they need.
- Collect money from other agencies.

Do you have to answer the questions we ask? Generally the law does not say you have to give us this information.

What will happen if you do not answer the questions we ask? We need information about you to tell if you can get help from any program. Without some information, we may not be able to help you. Giving us wrong information on purpose may result in investigating and charging you with fraud.

Who may we share the information about you with? We may give information about you to the following agencies, if they need it for investigations, or to help you, or to help us help you. This does not mean we always share information about you with these people. It only says that there is a law that says we may share information about you with these people sometimes. If you have questions about when we give these people information, please ask the worker involved with your project.

- Collection agencies, if you do not pay fees you owe to us for services.
- U.S. Dept. of Labor and Minnesota Dept. of Labor and Industry.
- County Attorney, Attorney General or other law enforcement officials, if your case is referred for investigation, litigation or prosecution.
- Employees or volunteers of this agency who need the information to do their jobs.
- U.S. and Minnesota Department of Agriculture (sponsor of this loan)
- State and Federal Auditors

You have the right to a copy of information we have about you.

- You may ask if we have information about you.
- If we have information about you, you may ask for copies (*you may be charged a nominal fee for copies*)
- You may give other people permission to see and have copies of private data about you.
- If the information is unclear, you may ask to have it explained to you.

How do you appeal if you think information is not accurate or complete? Your objection must be in writing and be sent to the head of this program. You must tell us why the information is not accurate or complete. You may send your own explanation of the facts you disagree with. Your explanation will be attached any time that information is shared with another agency.

If you have any questions about the information on this form, please ask the worker involved with your project.

Applicant's signature: _____

Date: _____

Applicant's signature _____

Date: _____

Applicant's signature _____

Date: _____

Applicant's signature _____

Date: _____

Policy for Mower County SSTS Loan Program

Adopted June 25, 2024

SECTION 1 – PURPOSE OF POLICY

1.1 This Individual Sewage Treatment System (SSTS) Loan Policy establishes guidelines and procedures for administration of the Mower County SSTS Program.

SECTION 2 – DEFINITIONS

2.1 SSTS LOAN

SSTS Loan or “Loan” means the commitment of funds on behalf of recipient(s) for the purpose of making eligible improvements to eligible properties as described in this Policy. Loans will be instated as an assessment against the subject property which requires repayment of the principle at 3 percent interest per year within a 10-year term.

2.2 RECIPIENT

“Recipient” means an individual, legal entity, or household, meeting the requirements of this policy that 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 RESIDENT

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

2.5 MOWER COUNTY ENVIRONMENTAL SERVICES (ES)

Mower County Environmental Services is the Administrative Agency for Subsurface Sewage Treatment System loan funds on behalf of Mower County. The Environmental Services, as administrator, will assume responsibility for soliciting, collecting, and processing applications, determining project entitlement and financial eligibility of property owners, monitoring construction of the SSTS, and seeking approval of loan disbursements from the Mower County Board as well as releasing loan proceeds to SSTS contractors.

2.6 NOTICE OF ACCEPTANCE (NOA)

Written documentation from Mower County Environmental Service that the application has been approved for funding in accordance with this policy. NOA will include:

1. A letter stating the project has qualified for funding in accordance with this policy,
2. The amount of money which has been reserved for future disbursement, for the intended project,
3. A Promissory Note which needs to be signed in front of a notary and returned to the Environmental Services within 7 days of receipt,
 - a. Mower County ENVIRONMENTAL SERVICES staff have the ability to extend this time limit when special circumstances arise which would not allow for documents to be signed and returned within the specified time limit.
4. A DRAFT Assessment document which will be presented to the County Board for approval once the septic system has been installed and the Certificate of Compliance has been issued.
5. A DRAFT amortization schedule.

2.7 PROJECT

As used in this document: “project” means the replacement of an existing, failing/non-compliant septic system meeting the eligibility requirements in accordance with this policy.

2.8 LIEN WAIVER

Lien waiver is a document from a contractor, subcontractor, materials supplier, equipment lessor or other party to the construction project stating they have received payment and waive any future lien rights to the property for the amount paid.

Policy for Mower County SSTS Loan Program

Adopted June 25, 2024

SECTION 3 – ELIGIBILITY

3.1 VERIFICATION / REVIEW

The Mower County Environmental Services will review the following information regarding each property or property owner to determine if a person or project can be financed:

- 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 Recorder's records, such as maiden names.
- Subject parcel is properly identified.
- Documentation of single-family dwelling residential residency.
- Current estimated market value of the property.
- Any encumbrances recorded against the property or person. Encumbrances may include but are not limited to: governmental tax liens; construction, mechanic, or other liens; mortgages or other financial obligations have not been demonstrated as satisfied.
- Records of any property foreclosure within the past 5 years.
- Records of any unpaid financial obligations within the past 5 years.

3.2 OWNERSHIP

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

- A valid life estate. life estates must be recorded and must appear in the records of the County.
- 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 subject property being improved.
- All individuals having an ownership interest in the subject property 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. Premanufactured mobile homes 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 sewer system.
- Dwellings are required to be single-family dwellings. Multi-family unit dwellings are not eligible for funding.
- Must be within Mower County, Minnesota.

3.4 ELIGIBILITY OF IMPROVEMENTS

Replacement or repairs needed to bring into compliance an existing, failing, or non-conforming individual sewage treatment system and any necessary plumbing.

- Site evaluation completed by an MPCA licensed designer.
- Design of new system (plans & specs) shall be prepared by MPCA licensed designer.
- In-place abandonment of existing failed, non-conforming or substandard systems.
- Construction costs of a new, (replacement septic) system by an MPCA certified septic contractor.
- Easements (for cluster systems).
- Land purchase for drain fields.
- Individual or cluster systems.
- Mower County SSTS application fee.

Policy for Mower County SSTS Loan Program

Adopted June 25, 2024

3.5 INELIGIBLE IMPROVEMENTS

- SSTS for a new or replacement dwelling, additional bedrooms, or new building construction, which increases capacity above or beyond the preexisting system which is now being replaced.
- Limitation. Loans may not be used to facilitate new building or residential 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.
- Connection to municipal sewer.
- Abandonment only, of an existing SSTS without replacement

3.6 CONTRACTOR REQUIREMENTS:

Contractors must be a Minnesota Pollution Control Agency (MPCA) licensed SSTS 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 and a Certificate of Compliance issued by the department before the request for assessment, by the Environmental Services, will be made to the County Board. Following approval of the County Board of the assessment, the assessment shall be entered into the tax record, and then a check will be processed for payment.

3.7 APPLICABILITY OF CODES:

SSTS improvement must be made in compliance with the MPCA 7080-7083 Code and Mower County SSTS Ordinance.

3.8 ASSUMPTION:

The loan is not assumable and shall be satisfied before a property transfer of ownership.

3.9 SUBORDINATION:

Mower County, via County Board approval, may choose to subordinate the SSTS loan in the following event:

- for refinancing of a mortgage by the original borrower(s) who applied for the SSTS loan based on the following condition:
 - Refinancing of pre-existing mortgage amount shall be in an amount either equal to or less than the original mortgage at the time of SSTS loan application was approved. The borrower(s) shall be responsible for providing this information to the county from the lender(s).

3.10 SALE OR TRANSFER

The loan recipient shall notify the county immediately upon the sale, transfer, or conveyance of the subject property.

3.11 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.

3.12 BANKRUPTCY:

Property owners who have filed for bankruptcy within the past five years are ineligible for this loan.

SECTION 4 – RESPONSIBILITIES OF ADMINISTERING ENTITIES

4.1 OUTREACH AND PUBLIC INFORMATION

The Mower County Environmental Services will be primarily responsible for the promotion of the loan program at the local level. The Mower County Environmental Services 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.

Policy for Mower County SSTS Loan Program

Adopted June 25, 2024

4.2 APPLICATION SELECTION AND APPROVAL

The following factors will be considered in selection:

- Applicants will be accepted throughout the entire length of the program or until available funds are exhausted.
- No eligible applicant shall be selected or rejected on the basis of nationality, ethnic origin, race, color, creed, religion (or lack thereof), language, gender, or lifestyle.
- Applications will be rated on a first come first serve basis per date of submittal of a completed application.
- Letters of rejection will be issued to applicants who are not selected stating the reason(s) for rejection.
- Mower County reserves the right to deny loans deemed "high risk"; applicants have the right to appeal to the Mower County Finance Committee.

4.3 APPEALS

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

4.4 COMPLAINTS

Mower County will collaborate with all applicants to resolve complaints.

4.5 INSPECTION OF PROPERTIES

The Mower County ENVIRONMENTAL SERVICES shall be responsible for conducting a minimum of one inspection for each approved project.

After the 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.

4.6 PREPARATION OF INDIVIDUAL SEWAGE TREATMENT SYSTEM SITE EVALUATION

The County shall require the completion of an Individual Sewage Treatment System site evaluation. The site evaluation must be completed by an MPCA licensed designer and soil must be verified by the county prior to design approval.

The applicant has six months after submitting the loan application to install the replacement septic system. If not installed within this time, the applicant will be removed from the list and if a waiting list exists the next person will be contacted. Mower County reserves the right to extend or rescind the loan application based on project progression moving forward or any lack thereof.

4.7 PREPARATION OF LOANS

The Mower County ENVIRONMENTAL SERVICES shall be responsible for the thorough review and accurate completion of all program documents for which they are responsible for.

The Mower County ENVIRONMENTAL SERVICES will help applicants in the preparation of any program forms which are necessary for packaging the loans.

4.8 FUND DISBURSEMENT

Disbursement of funds may be authorized by the Mower County ENVIRONMENTAL SERVICES after:

- A final SSTS inspection is conducted and the SSTS contractor submits the as-built drawing and SSTS abandonment forms for the preexisting system to Mower County ENVIRONMENTAL SERVICES.
- It is determined that the specific work for which payment is requested has been completed in a satisfactory manner and a Certificate of Compliance is issued by Mower County.
- The County Board consents to the assessment.
- A Lien Waiver has been submitted by the septic contractor to the ENVIRONMENTAL SERVICES prior to check release.

Policy for Mower County SSTS Loan Program

Adopted June 25, 2024

SECTION 5 – FILE CONTENTS

The Mower County ENVIRONMENTAL SERVICES shall maintain the following items in the Loan File.

- Applicant(s) loan documents
- Lien Waiver
- Property Title Verification
- Tennessean warning, data privacy rights, data privacy statement

Original documents will be maintained in the applicant's files of the Mower County ENVIRONMENTAL SERVICES.

SECTION 6 – LOAN

6.1 TERMS OF THE LOAN:

- 3% interest on any unpaid balance.
- Up to 10 years for repayment.
- The loan is not assumable.
- Principal and interest payments will be collected on property taxes unless prepaid each year to the Mower County Treasurer before December 31st.
- The county will borrow up to 90% of the septic system's eligible costs, based on a final bill, for a qualifying project. The loan may be used to pay for costs associated to the qualifying project such as: land acquisition for a drain field, easements for cluster systems, site evaluation, system design, installation, abandonment of the existing failing system and county permit fees. Any costs incurred over the loan limit or ineligible costs for each system will be the responsibility of the property owner.
- Assessments. Any amount lent under the loan program, including accruing interest, shall be assessed against the property or properties benefited unless the amount is prepaid. The loan amount will be specially assessed against the property.
- The property owner has the right to prepay the entire assessment.
- The public official to whom repayment must be made is the Mower County Treasurer.
- The time within which repayment must be made without the assessment of interest.
- The rate of interest to be accrued if the assessment is not prepaid within the required time period.
- The period of the assessment.
- Property owners have the right to prepay the assessment without penalty.

SECTION 7 – AMENDMENT

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

Policy Adopted this 25th day of June, 2024.

THE MOWER COUNTY BOARD OF COMMISSIONERS

By: /ss/ John Mueller, Mower County Board of Commissioner's Chairperson 6/25/2024
Chairperson

By: /ss/ Trish Harren Gjersvik, Mower County Administrator 6/25/2024
Clerk/Administrator