



**SHERBURNE COUNTY**

**SUBSURFACE SEWAGE TREATMENT SYSTEM (SSTS): LOW INTEREST LOAN PROGRAM**

**Loan Application, Loan Process, and Loan Details**

**LOAN APPLICATION**

**Contact Information:**

Name of Applicant(s): \_\_\_\_\_

Name of Co-Applicant(s): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**Property Address of Failing Septic System:**

House Number: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Township: \_\_\_\_\_

Parcel Identification Number: \_\_\_\_\_

**Property Information:**

Year Structure/Home Built: \_\_\_\_\_ Year You Purchased Your Property: \_\_\_\_\_

Is property eligible to connect to city sewer or water? (circle one): **YES NO**

Are you current on your property taxes? (circle one): **YES NO**

Are you current on all mortgages and property liens? (circle one): **YES NO Attach a copy of last or most current mortgage statement, or satisfaction of mortgage.**

**Septic System Information:**

1. Year Septic System Installed: \_\_\_\_\_ Date of last system (tank) pump: \_\_\_\_\_

2. Is your SSTS within 1,000' of a lake, or 300' feet of a stream/river? (circle one): **YES NO**

3. Has your system received a Notice of Noncompliance according to MN Rules 7080 (i.e. Discharges to ground surface or groundwater, contain a cesspool or leaching pit, has less than the required vertical separation pursuant to MN Rules 7080?) (circle one): **YES NO I DON'T KNOW**

If YES, name of Compliance Inspector: \_\_\_\_\_ Date of Inspection: \_\_\_\_\_

***NOTE: Attach a copy of the Notice of Noncompliance***

4. Have you received a Total Cost of Project to repair or replace your noncompliant septic system? (circle one)  
YES NO **If yes, please attach Total Cost of Project and return with this Loan Application.** Please note the following:

- Items listed under "Eligible Expense" in SSTS Loan Detail below.
- SSTS Loan Applications cannot be processed without Total Cost of Project (for which you are applying for).
- You may choose to pay for Design costs directly to the Licensed Designer if you do not want these expenses included in your SSTS Loan.
- Sherburne County staff requires all Applicant(s) to obtain at minimum, two bids from state licensed SSTS professionals to ensure that costs are competitive, and that you may not be overpaying for what is required.

***Signature Page on page 10 of this SSTS Loan Application Form***

## LOAN PROCESS

**Loan Application:** *(NOTE that if you live in an incorporated city or Becker Township, you will need to show proof that you have received a septic permit from your city or Becker Township)*

1. Subsurface Sewage Treatment Systems (SSTS) owners interested in the program must complete this Loan Application form and return it to the Sherburne County Planning & Zoning Department (Department), along with:
  - \$100 non-refundable loan origination fee,
  - Copy of last or most current mortgage statement or satisfaction of mortgage, and
  - Copy of Notice of Noncompliance from a MN Licensed SSTS Inspector.
2. The Department will review the Loan Application and determine if the loan qualifies for funding. Applicants are then notified concluding staff review of the application.
3. Due to availability of loan funds, the Department may prioritize loans for properties as follows:
  - Properties where SSTS has been determined to be an Imminent Threat to Public Health as determined a Notice of Non-Compliance.
  - Properties where SSTS is Failing to Protect Groundwater as determined by a Notice of Non-Compliance.

*NOTE: The Department may defer its decision on a loan for any property that has transferred ownership within the preceding 12 months to ensure that funds are available for the above listed priority projects during the budget year.*

*FURTHER NOTE: In accordance with ORD-241, loans will not be approved for any property that has transferred ownership if a Certificate of Compliance has is not provided to the Department at the time a Certificate of Real Estate Value is filed.*

4. If approved, applicant is then required to submit the following to Sherburne County Planning & Zoning:
  - Sewage Treatment System Permit Application *(NOTE that an application fee is required as established by County Board if location is not in an incorporated city or Becker Township).*
  - Sewage Treatment System Design *(must be prepared by a MN Licensed Septic Designer).*
  - Lien Recording Fee (\$46).
  - Satisfaction of Lien Fee (\$46).

- Total Cost of Project as determined by selected bid (*NOTE that this may include all items listed under “Eligible Expenses” as referenced below in Loan Detail*).

*Further NOTE that Applicants are required to obtain at minimum two bids, but are not required to select the lowest bid. However the bid that is selected by the Applicant will be determined as the Total Cost of Project. And, any SSTS costs **exceeding** the Total Cost of Project (as determined by bid) will be the responsibility of the Applicant, and not the County.*

5. Sherburne County Planning & Zoning will review the submitted Septic Design and notify you once the permit is ready (*NOTE that work may not begin until you receive a permit to install the septic system*).
6. System is then installed by a MN Licensed Septic Installer and inspected by Sherburne County Planning & Zoning or your Local Unit of Government.
7. Applicant submits copies of all invoices that will be included in the Loan Application to Sherburne County Planning & Zoning. All qualifying items must be listed as “Eligible Expenses” as listed below. (*NOTE as stated above, costs that exceed the bid amount {Total Cost of Project} will be the responsibility of the Applicant*).
8. Sherburne County Planning & Zoning will then prepare a “Subsurface Sewage Treatment System Loan & Special Assessment Agreement” and request a check to be drawn for the loan amount. You will need to schedule a meeting with Sherburne County Planning & Zoning to sign the Agreement, which will be legally recorded at the Sherburne County Recorder’s Office. At this meeting, the check will be issued to both the applicant and the state licensed contractor(s). The applicant shall endorse the check and provide to the contractor. The contractor is required to sign the Mechanic Lien Waiver Form for proof of payment received.

*NOTE that Contractor will need to wait approximately two to three weeks until money is disbursed. And, as stated above, any costs that exceed Total Project Cost is the responsibility of the Applicant and not the County.*

9. Sherburne County Planning & Zoning prepares a Special Assessment Document and files it with the Sherburne County Auditor/Treasurer’s Office.

# LOAN DETAIL

## **Funding Amount:**

Maximum Funding:	\$20,000
Interest Rate:	3% Interest
Origination Fee:	Non-refundable \$100.00 fee per applicant (Payable to Sherburne County Zoning)
Lien Recording Fee:	\$46.00 (Payable to Sherburne County Planning & Zoning)
Lien Satisfaction Fee:	\$46.00 (Payable to Sherburne County Planning & Zoning)
Repayment:	Payable twice a year as a Special Assessment with your Property Taxes (this is a lien on your home). If applicable, your annual escrow amount will increase for the term of this loan.
Term of Repayment:	Payable twice a year over 5 years for total funding up to \$5,000 Payable twice a year over 10 years for total funding up to \$20,000
Income Limit:	None
Asset Limit:	None

## **Eligibility Requirements:**

- **Land Use and Occupancy:** SSTS loans are available only for single family residences with a sewage design flow of less than 2,500 gallons a day, that have been issued a Notice of Noncompliance as defined by MN Rules 7080.1100, Subp. 52. Installation or replacement SSTS for construction of a new dwelling or for renovation or reuse of an unused or abandoned dwelling shall not be eligible for this program.
- **Compliance Status:** The existing SSTS serving the single family residence shall have received a Notice of Noncompliance as defined by MN Rules 7080.1100, Subp. 52. There shall be no active violations of any Sherburne County Ordinance pertaining to that property for which an SSTS Loan is being requested, other than the noncompliant status of the SSTS serving that property.
- **Property Ownership:** The Applicant(s) shall be the property owner defined as the deed holder(s), life estate holder(s) or contract holder(s). If applicant(s) has a contract for deed or life estate, all deed holders' signatures shall be on the SSTS Loan Application and the subsequent lien agreement.

- **Property Taxes and Mortgage:** Applicant(s) shall not be delinquent on their property taxes or mortgage(s).
- **Property Transfers and Disclosure:** MN Statute 115.55, Subd. 6 requires the seller of property to disclose, in writing, information on how sewage generated at the property is being managed. Further, the Sherburne County Zoning Ordinance, Section 17.5, Subd. 8.2.A.1.a requires a “Certificate of Compliance” at the time a “Certificate of Real Estate Value (CRV)” is filed. This SSTS loan program is not a substitute for escrow agreements and other funding mechanisms.

**Eligible Expenses:**

The following are eligible project expenses:

- SSTS design and construction costs. Both activities shall be performed by a MN licensed SSTS professional. *Please be advised that arrangements to pay your Designer with Loan Funds shall be made in advance (as there may be significant time between design preparation and the actual installation).*
- Plumbing and electrical costs directly related to and necessary for the SSTS.
- Replacement of tank(s) and/or drainfield repairs that will bring existing system into compliance with MN Rules 7080. All work on SSTS shall be performed by a MN licensed SSTS professional.
- Seeding the SSTS installation area, only to extent required by MN Rules 7080.
- Placement of holding tank(s) may be an eligible cost only if no other SSTS can be installed at the applicant(s) property.
- If applicable, connection to a municipal sewer system.

*NOTE that any of the above listed eligible expenses shall be considered ineligible if the related project activities are started before the loan application has first been approved by the Sherburne County Planning and Zoning Department.*

**Ineligible Expenses:**

The following are expenses that are ineligible (not eligible) for an SSTS loan:

- Replacement or repair of an SSTS **prior** to loan application being approved by the Sherburne County Planning and Zoning Office.
- Loan origination fee, special assessment lien agreement recording fees, and satisfaction of lien recording fee.
- Land acquisition or easement costs for construction of an SSTS.

- When there is an SSTS escrow account available because of property transfer or other circumstances.
- Landscaping, seeding, sod and other natural landscape restoration costs **not** required by MN Rules 7080.
- Activities regulated by the National Pollutant Discharge Elimination System (NPDES) permit program.
- Maintenance of an SSTS (including pumping costs, operating costs, monitoring costs, and. . .).
- Activities that violate local, state or federal rules, regulations and statutes.
- Other expenses not directly related to SSTS loan replacement or repair activities.
- Sherburne County SSTS Permit Fees.
- Sherburne County Variance Fees.
- Property Line Surveying Costs.

#### **Loan Availability:**

- **SSTS Loan:** The availability of SSTS loans are on a first come basis for acceptable and approved applications. The County will loan up to, but may not exceed, an aggregate amount of \$200,000 in any given single year while the program is being offered.
- **SSTS Permitting and Installation:**
  - The SSTS shall be designed and installed by a designer and installer licensed by the State of MN. The SSTS shall be designed and installed in compliance with MN Rules 7080, Sherburne County Ordinances and all other applicable local ordinances.
  - The Applicant(s) are responsible for obtaining a SSTS permit from Sherburne County Planning and Zoning or their Local Unit of Government prior to commencing any SSTS repair or replacement activities.
  - Applicant(s) that reside in cities or towns that administer their own SSTS program shall obtain a permit as required by that municipality and provide copy of permit to Sherburne County Planning and Zoning Department prior to qualifying for this SSTS loan.
- **Local Enforcement:** The availability of SSTS loans may not delay or otherwise influence local or state enforcement activities as may be necessary.
- **Perpetual Revolving Loan Account Structure:** The SSTS Low Interest Loan Program uses a perpetual revolving loan account structure where repayments from prior loans are continually reused to fund new loans in Sherburne County.

- Single Family Residence Eligible: SSTS loans are available County wide to single family residences with a sewage design flow of 2,500 gallons per day or less, that have received a Notice of Noncompliance as defined by MN Rules 7080, and are otherwise not served by a Municipal Sewage Treatment Plant.
- Administration of Loan: The Sherburne County Planning and Zoning Office is the local unit of government administering the SSTS Low Interest Loan Program.
- Increase Rate of Compliance: Sherburne County is administering the Low Interest Loan Program for SSTS as a lender to accelerate the rate of voluntary SSTS compliance throughout the County.
- Timely Repair or Replacement of SSTS: Approved applicants are expected to have their SSTS repaired or replaced as soon as possible, with completion occurring within 12 months from the date of permit. Approved applicants with expired, approved loans will be allowed to reapply.

### **SSTS Low Interest Loan Payment and Special Assessment Process:**

#### 1. Disbursement of Funds:

- a. Applicant(s) shall provide final invoice(s) to the County for the Eligible Expenses completed.
- b. Upon site inspection and approval by the Department, or other applicable local unit of government, for the repair or replacement of the SSTS, the County will provide loan funds as payment to the state-licensed SSTS contractor(s) of the repair or replacement of property owner's SSTS, in an amount **not to exceed Total Cost of Project** (as indicated in the bid). All costs that exceed Total Cost of Project will be the responsibility of the Applicant.
- c. If the Applicants SSTS lies within a local unit of government that administers their own SSTS, verification that approval of the repair or replacement shall be provided to the Department prior to any disbursement of funds.

2. Covenant to Repay Funds: The applicant agrees, promises, and covenants to repay the funds provided by the County pursuant to this Agreement, including interest of 3%, for the repair or replacement of the SSTS. The applicant's obligation to repay the loan funds shall be secured by a special assessment (lien agreement) against the applicant's property as provided herein. Property may not transfer until the special assessment (lien agreement) has been paid in full and the loan has been satisfied.



3. Special Assessment: A special assessment (lien agreement) will be placed on the property for actual costs incurred. The special assessment amount will be held on file by Sherburne County Auditor/Treasurer's Office.
4. Terms of Funding Agreement and Repayment: The special assessment against the Applicants property under this agreement shall be payable in equal annual installments twice per year with the applicant(s) property taxes.
5. Prepayment Right: After the first installment of an assessment is entered on to the tax list, Applicant may prepay the entire assessment remaining due before November 15 with interest accrued to December 31 of the year in which the prepayment is made.

### **Questions:**

Please contact Sherburne County Planning and Zoning Department at 763-765-4450 or [zoning@co.sherburne.mn.us](mailto:zoning@co.sherburne.mn.us). Sherburne County staff recommends that you contact us prior to submitting an application for this loan program.

**Signature(s):**

AGREEMENT: I hereby certify that I am the owner(s) of the above referenced property or their authorized agent and have read and examined this application form, including SSTS Loan Process and Loan Details, and know the same to be true and correct. All provisions of law and ordinances governing this work will be complied with whether specified herein or not. I/We understand the information I/We provided for this application will be utilized to determine eligibility for the SSTS Low Interest Loan Program and any omissions or erroneous information provided may result in the SSTS Loan not being approved by Sherburne County.

\_\_\_\_\_  
Printed Name of Applicant

\_\_\_\_\_  
Date

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Printed Name of Applicant

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Date

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