



Planning and Zoning Administration

Sherburne County Government Center
13880 Business Center Drive NW
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Elk River, MN 55330-4668
(763) 765-4450
1-800-438-0578

**SUBSURFACE SEWAGE TREATMENT SYSTEM (SSTS)
LOW INTEREST LOAN APPLICATION**

Applicant Name: _____ Married Single
Co-Applicant Name(s): _____ Married Single
Are applicants married to each other? Yes No

NOTE: All property owners must be listed for the application to be considered complete.

Mailing Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Email: _____

Failing Septic System Information:

Address: _____
City: _____ State: _____ Township: _____
Parcel Identification Number (PID): _____

- 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? YES NO
- 3. Has your system received a Notice of Non-compliance 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?) YES NO UNKNOWN
If YES, Compliance Inspector name: _____ Inspection date: _____
- 4. Have you received a total cost of repair or replace of the non-compliant septic system? YES NO

Property Information

Is property eligible to connect to city sewer or water? YES NO
Connectivity to city sewer or water is an eligible expense.

SEE SUPPLEMENTAL INFORMATION for documents to attach to this application.

SUPPLEMENTAL INFORMATION

For the application to be deemed complete, the following is required:

- Current mortgage statement, or satisfaction of mortgage
- Current property tax statement
- Notice of non-compliance from a Minnesota licensed SSTS inspector
- Paid application fee (\$100) and recording fees (\$92)
- Minimum of 2 bids showing estimated total cost of septic system repair or replacement from a Minnesota licensed SSTS professional

Please note the following:

- Items listed under “Eligible Expense” in SSTS Loan Detail below
- You may choose to pay Design costs directly to the Minnesota licensed designer if you do not want these expenses included in your SSTS Loan
- Receipt of final invoice is required to complete a SSTS Loan and Special Assessment Agreement

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 understand the information I 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. I also understand that by applying for a SSTS Loan, I grant Planning and Zoning staff authority to access the above referenced property for inspections throughout the application and loan process. I further affirm by my signature below that I am current on my property tax and mortgage (if applicable).

Printed Applicant Name	Signature	Date
Printed Applicant Name	Signature	Date
Printed Applicant Name	Signature	Date
Printed Applicant Name	Signature	Date
Printed Applicant Name	Signature	Date

Return pages 1 and 2 of this application with required attached documentation.

LOAN PROCESS

(Proof of septic permit is needed if you live in an incorporated city or Becker Township.)

Loan Application:

1. Applicants must complete and submit this loan application, and required attached documentation, to the Sherburne County Planning & Zoning Department (the Department), along with:
 - \$100 non-refundable loan origination fee.
2. The Department will review the loan application, and required attached documentation, to determine completeness and eligibility. Applicants will be notified of application status following the review.
3. The Department may prioritize loans to properties because of available loan funds as follows:
 - Properties where SSTS has been identified as an imminent threat to public health as determined by 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 Ordinance 241, loans will not be approved for any property that has transferred ownership if a Certificate of Compliance has not provided to the Department at the time a Certificate of Real Estate Value is filed.

4. If approved, the applicant is then required to submit the following:
 - SSTS Permit Application (An application fee is required, as established by County Board, if location is not in an incorporated city or Becker Township.).
 - SSTS Design (must be prepared by a MN Licensed Septic Designer).
 - \$46 Lien Recording Fee.
 - \$46 Satisfaction of Lien Recording Fee.
 - Total Cost of Project as determined by selected bid.

NOTE: This may include all items listed under “Eligible Expenses” (See Loan Detail)

FURTHER NOTE: To maintain application eligibility, a minimum of two bids must be obtained. The applicant is not required to select the lowest bid for the SSTS work. The bid selected by the Applicant will be determined as the Total Cost of Project. Any SSTS costs exceeding the Total Cost of Project will be the financial responsibility of the Applicant, and not the County.

5. The submitted Septic Design will be reviewed by the Department. The applicant will be notified once the permit is ready, and work to install the septic system may begin after a permit is received.
6. The septic system must be installed by a MN Licensed Septic Installer and inspected by the Department or Local Unit of Government.

7. An invoice must be submitted to the Department following septic system installation. 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. A SSTS Loan & Special Assessment Agreement will be drafted and a check requested for the loan amount. The applicant will need to schedule a meeting with the Department to sign the Agreement. All property owners must be present for this meeting to sign the Agreement and endorse the check for payment to the MN Licensed Septic Installer. The Agreement will be legally recorded at the Sherburne County Recorder’s Office, and a copy mailed to the applicant.

NOTE: The Department prepares a Special Assessment Document and files it with the Sherburne County Auditor/Treasurer’s Office.

LOAN DETAIL

Funding Amount:

Maximum Funding:	<p>Single Family Residence: 100 percent of eligible project costs up to \$20,000; 95 percent of eligible project costs exceeding \$20,000.</p> <p>Eligible Small Business: 75 percent of eligible project costs up to \$25,000; 80 percent of eligible project costs up to \$50,000; 85 percent of eligible project costs up to \$75,000; 90 percent of eligible project costs up to \$100,000; and, 100 percent of eligible project costs exceeding \$100,000 up to a maximum of \$150,000.</p>
Interest Rate:	2 percent 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 included with the Property’s real estate taxes. Property owners may prepay the loan at any time. The loan shall become immediately due and payable in full upon any sale, conveyance or other transfer of the Property. 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 loans up to \$5,000. Loans greater than \$5,000 shall be payable twice a year over 10 years.
Income Limit:	None for Single Family Residential properties
Asset Limit:	None
Penalty:	If, during the term of any loan, a court determines that a violation of any Ordinance or land use permit or license exists on the property encumbered by a Loan and Special Assessment Agreement, the loan shall become immediately due and payable and the collection schedule for any assessment for the remaining outstanding balance shall be accelerated and shall become payable in full with the following year’s property taxes.

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 Non-compliance 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 Non-compliance 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 a SSTS Loan is being requested, other than the non-compliant 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 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 SSTS installation).
- Water supply well replacement when necessary to meet setbacks for SSTS replacements or repairs.
- 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: If any of the above listed eligible expenses are started before the loan application has first been approved, these expenses will be considered ineligible.

Ineligible (not eligible) Project Expenses:

- SSTS replacement or repair prior to approval of the loan application by the Department.
- Loan origination fee, special assessment lien agreement recording fee, and satisfaction of lien recording fee.
- Land acquisition or easement costs for construction of a SSTS.
- When there is a 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 a SSTS (including pumping costs, operating costs, monitoring costs, etc.).

- 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.
- 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 is responsible for obtaining a SSTS permit from the Department or Local Unit of Government prior to commencing any SSTS repair or replacement activities.
 - Applicant(s) residing within cities or towns that administer their own SSTS program shall obtain a permit as required by that municipality and provide copy of permit to Department.
- 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 Non-compliance 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. 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).

- b. 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 2%, 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. The 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.
6. **Penalty:** The Loan will become immediately due and payable if a court determines that there is any ordinance or permit violations on the Property.

Questions:

Please contact Sherburne County Planning and Zoning Department at 763-765-4460 or zoning@co.sherburne.mn.us. Sherburne County staff recommends that you contact us prior to submitting an application for this loan program.