

LOW INTEREST SEPTIC SYSTEM LOAN APPLICATION PROCEDURE

(Applicant Copy)

Check Applicable Watershed:

	High Island Creek Watershed
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1. Contact the McLeod County Environmental Services Office or the specific Watershed Implementation Project and indicate your interest in upgrading your failing subsurface sewage treatment system (SSTS). You will be provided with a list of licensed septic contactors and a Loan Application.
2. Submit the completed loan application, two (2) cost estimates (bids) from two different septic contractors, and full legal description from Abstract or Certificate of Title to the McLeod County Environmental Services Office. A non-refundable application fee of \$30 must accompany the application (payable to the McLeod County Zoning Administrator). The McLeod County Environmental Services office will forward the loan application to the McLeod County Auditor - Treasurer's Office following preliminary approval.
3. The Auditor-Treasurer's Office will verify accurate ownership and up-to-date taxes, liens, or assessments against the specified parcel.
4. Following final approval of the loan application a phone call or letter will be sent to the property owner approving the loan.
5. The McLeod County Environmental Services Office will then request that a licensed septic system designer and/or installer to obtain land use permit application be applied for the septic installation. A land use permit fee for a septic system is \$300.00. This fee is due at the time of application. All designs shall meet the requirements of the McLeod County SSTS Ordinance and MN Rule Ch. 7080-7083.
6. A final invoice for the septic installation supplied by the septic contactor or the property owner shall be submitted to the Environmental Services Office. The exact amount of the loan shall be verified with the property owner.
7. Septic Lien document shall be recorded with the County Recorder. Recording fee and Mortgage Registration Tax shall be paid by property owner.
8. The Auditor-Treasurer's Office will request funds from the MN Pollution Control Agency (MPCA). The funds will be sent directly to the Auditor's office and payment will be sent to the septic contractor. A check will be made payable to the septic contractor and the property owner. The Auditor-Treasurer's Office will notify the Environmental Services Office that payment is complete.
9. The property owner remits payment to the Auditor-Treasurer's Office semi-annually along with their respective property taxes.
10. The property owner(s) have the right to prepay the assessment amount at any time. When the final payment is received, the Auditor-Treasurer's Office will send the property owner(s) a Satisfaction of Septic Lien. Property Owner(s) will be responsible for recording this Satisfaction of Septic Lien with the County Recorder and pay the recording fee. Failure to record this Satisfaction of Septic Lien will show the lien is not satisfied and will cause problems during future real estate closings.

Environmental Services Office
830 11th Street East, Suite 113
Glencoe, MN 55336
320.864.1259

Recorder's Office
Lynn Ette Schrupp
2389 Hennepin Avenue N
Glencoe, MN 55336
320.864.1216

Auditor-Treasurer Office
Cindy Schultz
2385 Hennepin Avenue N
Glencoe, MN 55336
320.864.1260

SEPTIC SYSTEM LOAN APPLICATION

Check Applicable Watershed:

High Island Creek Watershed

Property Owner:	
Phone Number:	Parcel Number:
Address:	
Legal Description (<i>From Abstract or Certificate of Title, NOT from Property Tax Statement</i>): Attach Copy	
Township/Section Number:	Estimate Cost:
Septic System Contractor:	Final Cost:

SEPTIC SYSTEM LOAN TERMS

The septic system must serve property located within the noted and applied for Watershed. For specific boundary parameters, please contact the McLeod County Environmental Services Office or the Watershed Implementation Project. The application shall be the property owner listed on the tax roles in the McLeod County Auditor-Treasurer's Office.

The property to benefit from the loan must have an existing failing septic system. A system shall be defined as failing according to the MN Rules Chapter 7080 and McLeod County SSTS Ordinance requirements.

Ineligible activities include: refinancing of a previously installed septic system, a septic system for a new home, or if the system is currently under court order for replacement/repair.

Applicant may borrow less than the total construction cost, but may not request more than the actual cost of design and construction. The cost of the system must not exceed the reasonable cost of a similarly designed system, and construction shall occur within one (1) year of the loan application date. Construction may begin only after the approval call or letter is received.

Interest rate for the term of the loan is 3.0% APR. The loan may be paid in full within thirty (30) days after McLeod County submits payment to the property owner/septic contractor without accruing interest. Interest will begin to accrue after the thirty-day grace period. Loan terms are for ten (10) years. The loan amount will be added to property taxes as a septic lien. Payments are due semi-annually along with respective property taxes. The property owner has a right to prepay the assessment at any time.

The initial loan application fee (\$30.00) **shall not** be included in the loan amount requested. The land use permit for the septic system application fee is \$300.00 payable to the McLeod County Zoning Administrator and may be included in the loan amount requested.

Once construction has been completed and final bill is submitted a septic lien shall be placed on said property. Property owner(s) shall sign a Note and Septic Lien document at the County Auditor-Treasurer's Office. Property owner(s) shall pay the recording fee and Mortgage Registration Tax to McLeod County.

Payments made by the McLeod County Auditor-Treasurer's Office will include both property owner and septic contractor as payee.

I HAVE READ AND UNDERSTAND THE TERMS OF THE LOAN PROGRAM AS STATED ABOVE. FAILURE TO ABIDE BY THE ABOVE TERMS MAY RESULT IN THE NULLIFICATION OF THE LOAN AGREEMENT.

<i>Signature of Property Owner</i>	<i>Date</i>
<i>Signature of Property Owner</i>	<i>Date</i>

*Your signature indicates your intent to borrow the estimate loan amount requested under the terms described on this application. It is understood by the property owner(s) that the loan balance will be added to the property tax statement as a septic lien unless prepaid. Application signatures DO NOT require notarization.