

FREEBORN COUNTY
SEPTIC SYSTEM LOAN APPLICATION

Coordinated by the Freeborn County Environmental Services

411 South Broadway

Albert Lea, MN 56007

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LOAN APPLICATION PROCEDURE

1. The landowner contacts the Environmental Services Office with the interest in upgrading their failed or substandard individual septic treatment system. The office will provide a list of licensed ISTS designers and installers and a compliance inspection form to the applicant.
2. MPCA Compliance Inspection Form for an Existing Individual Sewage Treatment Systems must be completed and on file in the Freeborn County Environmental Services Office.
3. The landowner contacts a Minnesota Pollution Control Agency licensed septic system designer/installer to obtain a sewer design. The septic system design must be submitted to the Freeborn County Environmental Services Office and subsequently approved. All designs must meet the specifications of Freeborn County Ordinances. A septic system permit fee of \$100.00 must also be paid to the Environmental Services Office.
4. After obtaining a septic system design and estimated costs for the sewer installation; the landowner submits this completed loan application (with a signature from all property owners and a project cost estimate) along with an accredited lender loan denial letter to the Environmental Services Office. The Environmental Services Office will check the application for completeness and see if there are any tax liens on the property.
5. The Auditor's Office will verify up-to-date taxes and that the value of the property exceeds the amount of the loan request. The Auditor's Office will provide this information to the Environmental Services Office. If the verification meets these guidelines, a loan approval letter is sent to the property owner.
6. Upon completion of the septic system installation; Environmental Services Office will inspect construction of the septic system. Freeborn County will issue a certificate of compliance to the property owner. The landowner must submit a final invoice for the project (supplied by the sewer contractor) to the Environmental Services Office. The exact amount to be borrowed will then be verified with the landowner and will be entered onto a tabular lien statement.
7. The tabular lien statement will be completed by the Auditor/Treasurer and sent to the County Recorder to place this lien on record. It will specify the loan principal, interest rate, term and the legal description of the property the lien will be assessed against.
8. After the lien is officially recorded, the Environmental Services Office will request payment to be sent to the landowner in the name of both the landowner and the contractor. The Auditor's Office acknowledges to the Environmental Services Director that payment is complete.
9. The landowner makes payments to the Treasurer's Office semi-annually along with their respective property taxes.
10. After the final loan payment is received from the landowner, the Auditor's Office will direct the landowner to the Auditor's Office to sign the satisfaction of lien document and pay the respective recording fee.

Name of applicant/landowner

Telephone number

Mailing address

City

State

Zip

Parcel Number (from tax statement)

Are there any state or federal tax liens on the property?
(Please circle one) Yes No

ISTS Contractor Name _____ Project cost estimate \$ _____

Loan term requested: _____ years (15 years max) Loan amount requested: \$ _____

SEPTIC SYSTEM LOAN PROGRAM TERMS

Initial

_____ The septic system must serve property located with the Freeborn County area. The applicant must be the property owner(s) listed on the tax rolls in the Freeborn County Auditor's Office. **All property owners must sign this application.**

_____ The property to benefit from the septic system must have an existing noncompliant or failing system. Specifically, this includes the following types of failed/failing systems: imminent public health threat systems that discharge untreated sewage to the land's surface or that have sewage backing up into the residence; discharge to cesspool, seepage pit or dry well; any system with less than three feet of soil or sand between the bottom of the distribution medium and the saturated soil or bedrock; or the current septic system does not meet setbacks to a water well, floodplain, or shoreland zone, property line, etc.

_____ Ineligible activities include; refinancing of a previously installed septic system, a septic system for a new house 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 \$15,000.00 for an in-ground system or for a standard mound system, considered to be the reasonable costs of similarly designed systems, and construction must occur within 180 (one hundred eighty) days of the loan application date. Construction may begin after the approval letter is received.

_____ Interest rate for the term of the loan is 6% (six percent) as of June 1, 2011. Interest shall accrue beginning the date the local lender distributes the funds to the property owner. Loans may be prepaid at any time; payment must be received by December 31 to avoid interest accrual for the following year. If loans are not paid by December 31, interest will accrue January 1 of the following year at a flat annual rate of 6% on the entire remaining balance. No prorating of interest will be accepted.

_____ A sewer system installation loan denial letter from an accredited lender must accompany this application.

_____ All administrative fees including Freeborn County's Septic System Permit fee and the cost for recording the lien with the counties' Recorder's Office may not be included in the loan amount requested.

_____ Payments made by the County Auditor's Offices to the landowner for the project will include contractor name jointly 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.

Signature of Property Owner

Date

Signature of Property Owner

Date

**** Your signature indicates your intent to borrow the estimated loan amount requested under the terms described on this application. These application signatures DO NOT require notarization.**

OFFICE USE ONLY

Freeborn County Environmental Services Approval _____ (signature)

Date: _____