

Septic System Loan Application

Rock River Watershed Clean Water Partnership
Coordinated by the Rock County Land Management Office
311 West Gabrielson Road, Suite 2, Luverne, MN 56156
Phone: (507) 283-8862 Ext. 4 Fax: (507) 283-5006

LOAN APPLICATION

1. The landowner needs to contact the Rock County Land Management Office with the interest in upgrading their failed or sub-standard individual septic treatment system. The office will provide a list of licensed ISTS designers and installers and provide this CWP Loan Application.
2. The landowner needs to contact a state licensed septic system designer/installer and obtain a design. The septic system design must be submitted to the Rock County Land Management Office (LMO) and subsequently approved. All designs must meet the specifications of the Rock County Ordinances. A septic system permit fee of \$100.00 must also be paid to the Land Management Office (either through the landowner or the septic contractor).
3. The landowner submits this completed loan application (with a signature from a property owner and a project estimate) to the Land Management Office. A non-refundable application fee of \$20.00 must accompany the application (payable to the Rock County Auditor/Treasurer's Office). Upon the preliminary approval of the application by the LMO Director, it is forwarded to the Rock County Auditor/Treasurer's Office.
4. The Rock County Auditor/Treasurer's Office will verify up-to-date taxes, accurate ownership and check for any other liens or assessments against the specified parcel. This information will be provided to the LMO Director. If the verification meets these guidelines, a letter is sent to the property owner approving project commencement.
5. Upon completion of the septic system, the Land Management Office will inspect the septic treatment system. If it meets the requirements, Rock County will issue a certificate of compliance to the property owner. The landowner must submit an itemized final invoice for the project (supplied by the contractors) to the LMO Director. The exact amount to be borrowed will then be verified with the landowner and will be entered onto a recordable lien document.
6. This recordable lien document will be completed by the LMO Director and sent to the landowner. This document will specify the loan principal, interest rate, term and the legal description of the property the lien will be assessed against. This recordable lien document will need to have notarized signatures by the property owners.
7. The Water Resources Administrator will request funds from MPCA through a letter format.
8. After the recordable lien document is returned to the LMO Director, it will be forwarded to the Rock County Recorder's Office.
9. The MPCA funds will be sent directly to the Rock County Auditor/Treasurer's Office and payment will be sent to the contractor upon receiving the completed recordable lien. The Auditor/Treasurer's Office acknowledges to the Water Resources Administrator that payment is complete.
10. The Auditor/Treasurer's Office will annually submit a list to the Rock County Commissioners of the liens, including applicable interest. The landowner makes payments to the Auditor/Treasurer's Office semi-annually along with their respective property taxes. The Auditor/Treasurer's Office will submit loan payment to the MPCA semi-annually.
11. After the final payment is received from the landowner, the Auditor/Treasurer's Office will send satisfaction of the lien to the landowner. The landowner is responsible to record the satisfaction in the Rock County Recorder's Office and pay the respective fee.

(name of applicant/landowners) (phone number_)

(mailing address) (city) (state) (zip code)

(legal description – attach if necessary) (township and section)

(parcel number – from tax form) (subdivision name, block number, lot number if applicable)

*Please complete the following loan information:
contractor name: _____ project cost estimate: \$ _____
loan term requested: 5 or 10 years (circle one) loan amount requested: \$ _____

SEPTIC SYSTEM LOAN TERMS

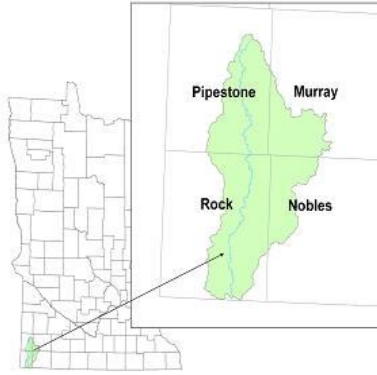
- The system must serve property located within the Rock County Watershed. For specific boundary parameters, please contact the Rock County Land Management Office. The applicant must be the property owner listed on the tax roles in the Rock County Auditor/Treasurer’s Office.
- The property to benefit from the septic system must have an existing prohibited or failing system. Specifically, this includes the following types of failed/failing systems; 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 the current setbacks to the well, lake, property line etc.
- Ineligible activities include; refinancing of a previously installed septic system, a septic system for a new home on a previously undeveloped lot 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 must occur within one (1) year of the loan application date. Construction may begin after the approval 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 Rock County submits payment to the landowner/contractor without accruing interest. Interest will begin to accrue after the thirty-day grace period. Loan terms are for either five (5) or ten (10) years.
- Administrative fees, including the application fee (currently \$20.00), the Rock County Septic System Permit fee (currently \$100.00), and the cost for recording the lien with the Rock County Recorder’s Office (currently \$46.00 plus 0.2% mortgage tax on current tax value), may not be included in the loan amount requested.
- Payments made by the Rock county Auditor/Treasurer’s Office will go directly to the contractor.

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.



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INTERNAL ROUTING SHEET

Applicant Name: _____

1. Land Management Office (LMO)

- _____ Location within watershed verified
- _____ Septic system permit obtained. Permit number: _____
- _____ Estimate from contractor
- _____ Loan application complete

2. Auditor/Treasurer's Office

- _____ Receipt of \$20.00 application fee
- _____ Ownership names on application match parcel ownership names
- _____ Parcel identified on the loan application is the same as the one identified with the structure benefiting from the new septic system
- _____ Taxes on the parcel are current
- _____ There are no other liens against the parcel
- _____ There are no special assessments against the parcel
- _____ The county appraised value of the parcel is more than the requested amount \$_____
- _____ Parcel verification complete

3. Land Management Office (LMO)

- _____ Letter sent to landowner approving project commencement
- _____ System inspected by LMO, certificate of compliance issued
- _____ Final invoice received from contractor
- _____ The recordable lien document complete and sent

4. Land Management Office (LMO)

- _____ MPCA request sheet for funds completed and sent
- _____ Funds received for specified loan
- _____ LMO Director is notified of lien recording

5. Recorder's Office

- _____ The lien document reviewed, approved and receipt of \$46.00 recording fee plus 0.2% mortgage tax on current tax value.
- _____ The lien is officially recorded
- _____ LMO Director is notified of lien recording

6. Auditor/Treasurer's Office

- _____ Payment voucher completed by LMO and given to Auditor/Treasurer's Office
- _____ Special Assessment filed for following year's taxes
- _____ LMO Director is notified that payment is complete