
INSTRUCTIONS

SSTS Loan Application - Blue Earth County Lender Minnesota Department of Agriculture AgBMP Loan Program

1. Before Making Application

IMPORTANT: Detailed cost estimates from a state-licensed, SSTS contractor are required before making loan applications. Not all SSTS installation costs are eligible for loan - see terms and conditions.

2. Loan Application Instructions

To obtain a low interest MDA AgBMP loan from Blue Earth County for SSTS, approval from two local agencies is required. Application forms are provided by each local agency.

Blue Earth County Soil and Water Conservation District (SWCD) - MDA AgBMP Loan Program Application:

First, the property owner(s) must complete an application with the Blue Earth County Soil and Water Conservation District (SWCD). Detailed cost estimates from a state-licensed, SSTS contractor are required. Following SWCD project approval, the property owner can apply for a loan from any participating lender. Blue Earth County is a participating lender.

Blue Earth County Soil and Water Conservation District (SWCD)
1160 S. Victory Drive, Suite 5
Mankato, MN 56001
Phone: (507) 345-4744

Blue Earth County - SSTS Loan Application:

The property owner(s) must complete a loan application with the Blue Earth County Property & Environmental Resources Department – Property & Land Division/Wells & Septic Systems.

Blue Earth County Property & Environmental Resources Department
Property & Land Division/Wells & Septic Systems
410 S. Fifth Street – Government Center – 2nd Floor
Mankato MN 56002-3566
Phone: (507) 304-4251

The following are required with the loan application:

- 1) SWCD approved project application
- 2) Detailed cost estimates from a state-licensed, SSTS contractor
- 3) Statement from a financial institution for any liens or mortgages on the property
- 4) Payment of non-refundable, \$150 application fee.

The amount of a loan from Blue Earth County is determined by the Property & Environmental Resources Department – Property & Land Division/Wells & Septic Systems.

3. Loan Security - Special Assessment Procedures

As required by the MDA, the loan will be a special assessment recorded as a lien against the property and will not be made subordinate to subsequent loans and liens recorded with the property. Landowners approved for a loan must record the SSTS loan as a lien against the property for a special assessment in the Property & Environmental Resources Department – Customer Services & Records Division. All recording fees, including research fees, lien recording and lien satisfaction fees, and any other standard recording fees, must be paid by the applicant to Blue Earth County at the time the lien is recorded.

The Customer Services & Records Division prepares the property owner’s repayment schedule at the time the lien is initiated.

No changes can be made to the approved loan amount after the lien is recorded. The property owner is responsible for paying their contractor for all costs that exceed the loan amount approved by Blue Earth County.

Blue Earth County Property & Environmental Resources
Customer Services & Records Division
410 S. 5th St. – Government Center – 2nd Floor
Mankato MN 56002-3567
Phone: (507) 304-4251

4. Construction

Construction can begin after the loan is approved by the Property & Land Division/Wells & Septics and the special assessment lien is recorded in the Customer Services & Records Division of the Property & Environmental Resources Department.

5. Loan Disbursement and Repayment Procedures

Disbursement:

The property owner and SSTS installer must submit the final invoice, as-built drawing and copies of bills from subcontractors to the Property & Environmental Resources Department – Property & Land Division/Wells & Septic Systems.

The MDA AgBMP loans are disbursed from Blue Earth County in one payment made directly to the SSTS installation contractor.

Repayment:

Repayment will be to Blue Earth County with property taxes twice a year. The first payment will be due with the first half of the property taxes in the year after the construction has been completed. Semi-annual payments included with the property taxes will be payable thereafter.

Partial pre-payment will not be allowed. The loan may be paid in full at any time with no prepayment penalty fees. In accordance with Minnesota Statute 429.061 Subd 3, the owner may at any time prior to November 15 of any year, prepay to the county, the whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made.

TERMS AND CONDITIONS

SSTS Loan - Blue Earth County Lender Minnesota Department of Agriculture AgBMP Loan Program

Terms of Loan

Amount: There is no maximum loan amount. The property owner may request a loan of less than the total cost of the project. The minimum loan amount is \$5,000. There can be no more than one SSTS loan per parcel.

Interest: The interest rate will be 3%, computed annually.

Term Length: Loans will be repaid over a ten-year period. The repayment period will not be extended.

Eligibility Requirements

Income: There are no specific income requirements or limitations.

Compliance Status: Loans are available for SSTS to serve existing systems that are out of compliance, as defined by Minnesota Rules, Chapter 7080, or County Ordinance. There can be no active enforcement actions related to violations of environmental regulations.

Land Use and Occupancy: Loans are available only for SSTS that serve existing, single family, owner-occupied dwellings that are determined to be either “failing to protect groundwater” or an “imminent threat to public health and safety” as defined by Minnesota Rules, Chapter 7080. Installation or replacement SSTS for construction of a new or replacement dwelling, or for renovation or reuse of an unused or abandoned dwelling or building, are not eligible for this program.

Property Ownership: The applicant(s) must be the property owner defined as the deed holder(s), life estate holder(s) or contract holder(s). If applicant has a contract for deed or life estate, all deed holders must sign the application and lien.

Market Value: The total of the loan, plus any existing loans or liens, must not exceed the most recently certified assessment of estimated market value of the property, according to the County Assessor at the time of the application.

Property Taxes: There can be no delinquent taxes on the property benefited and the property taxes must be current.

Property Transfers and Disclosure: Minnesota Statute, 115.55, Subdivision 6, and Blue Earth County SSTS Ordinance require the seller of property to disclose, in writing, information about the status and location of all known current and former SSTS on the property. The Blue Earth County SSTS Ordinance requires a compliance inspection at the time of property transfer. This loan program is not a substitute for escrow agreements and other funding mechanisms.

Eligible Costs

Project costs are eligible for loan assistance if they are reasonable, necessary, and allocable to the project.

1. SSTS construction
2. Plumbing and electrical directly related to and necessary for the system
3. County SSTS permit fee
4. Replacement of tanks and/or drainfield repairs that will bring an existing system into compliance
5. Attorney and other legal fees related to cluster SSTS agreements for easements, operating permits and maintenance
6. Seeding the SSTS installation area, only to the extent required by Minnesota Rules, Chapter 7080

7. SSTS activities located in an area currently served by publicly-owned treatment works (POTW) when an existing dwelling cannot be reasonably served by POTW and the SSTS is approved by an official representative of the POTW and the Property & Environmental Resources Department – Property & Land Division/Wells & Septic Systems.

Costs identified as eligible costs are ineligible if the related project activities are started before the loan is approved by the Property & Environmental Resources Department - Property & Land Division/Wells & Septic Systems and lien recorded by the Customer Services & Records Division.

Ineligible Costs

Ineligible costs include any costs that are not directly related to SSTS installation activities. In addition, the following are ineligible for financial assistance:

1. Installation of SSTS before loan is approved and legally recorded.
2. Fees for SSTS loan application and recording special assessment lien.
3. Holding tanks as defined by County Ordinance.
4. Land acquisition or easement costs for construction of a SSTS.
5. When there was an SSTS escrow account available because of property transfer or other circumstances.
6. Landscaping, seeding, sod and other landscape restoration costs not required by Minnesota Rules, Chapter 7080.
7. Activities regulated by the National Pollutant Discharge Elimination System permit program.
8. Activities located in an area served or to-be-served by publicly owned treatment works (POTW).
9. Maintenance of SSTS's.
10. Activities that violate local, state, and federal statutes, rules, and regulations.

Loan Availability

The availability of loans for SSTS will not delay or otherwise influence local or state enforcement activities.

The MDA AgBMP Loan Program uses a perpetual revolving loan account structure where repayments from prior loans are continually reused to fund new loans in Blue Earth County. The amount of loan funds available each year is determined by the MDA and will vary depending on the balance of the revolving fund.

MDA Ag BMP loans are available county wide to farmers and rural landowners.

The Blue Earth County SWCD is the local unit of government administering the MDA AgBMP Loan Program. Loans are approved and disbursed on a first-come, first-serve basis to eligible applicants.

Applicants may apply to any approved lender participating in the MDA AgBMP loan program. Blue Earth County is participating in the MDA AgBMP Loan Program as a lender to accelerate the rate of voluntary SSTS compliance in Blue Earth County as contained in the County's Comprehensive Water Management Plan.

Approved applicants are expected to have their SSTS installed as soon as possible, in a reasonable period of time based on loan availability and the terms of the applicable project loan agreement. The deadline for installation will be stated on the approved loan application. Approved loans that are not used by the deadline stated on the approved application may be made available to other eligible applicants. Property owners with expired, approved loans will be allowed to re-apply, if the applicant is eligible at the time of re-application.

For more information:

Blue Earth County Property & Environmental Resources Department
Property & Land Division/Wells & Septic Systems
410 South 5th Street – Government Center – 2nd Floor
Mankato MN 56002-3566
Phone: (507) 304-4251

Minnesota Department of Agriculture AgBMP Loan Program

Blue Earth County Lender Application

Property & Environmental Resources Department
Property & Land Division/Wells & Septic Systems
410 S. 5th Street - Government Center - 2nd Floor
P.O. Box 3566, Mankato, MN 56002-3566
507-304-4251

APPLICANT INFORMATION

Name of Owner/Applicant Telephone

Mailing Address City State Zip Code

Parcel Number E-mail Address (used for notification)

LOAN INFORMATION

Total Loan Amount Requested: \$ (Written estimate required)

Do you have any liens or mortgages on the property? NO YES Amount \$ Submit most recent statement from the financial institution(s) for verification.

AGREEMENT

I have read the terms and conditions of the loan program and understand that failure to abide by the terms and conditions will result in the nullification of the loan. I intend to borrow the requested amount under the terms described in the loan program.

Signature of Property Owner Date

Signature of Property Owner Date

FOR PROPERTY & ENVIRONMENTAL RESOURCES DEPARTMENT USE ONLY

Form containing fields for Date, By, Taxes Current, Market Value, Value of liens and mortgages, Approved, Denied, Notified, Installation Required by, Lien Signed, Payment Made, MDA AgBMP Form, SWCD Approval, BEC Approval, Application Fee (\$150), Paid, Date, Receipt #.