
INSTRUCTIONS

Well and Water Treatment 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, well contractor is required before making loan applications. Not all well construction, well sealing, and/or water treatment projects are eligible for this loan (see terms and conditions).

2. Loan Application Instructions

To obtain a low interest MDA AgBMP loan from Blue Earth County for wells, 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, well contractor is 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 - 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
Government Center – 2nd Floor
410 South Fifth Street
Mankato MN 56002-3566
Phone: (507) 304-4381

The following are required with the loan application:

- 1) SWCD approved project application
- 2) Detailed cost estimates from a state-licensed, well contractor
- 3) Statement from 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 well loan as a lien against the property for a special assessment in the Customer Services & Records Division of the Property & Environmental Resources Department. 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 will prepare 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 Department
Customer Services & Records Division
Government Center – 2nd Floor
410 South Fifth Street
Mankato MN 56002-3567

4. Construction

Well work and/or water treatment equipment installation may begin after the loan is approved by the Property & Land Division/Wells & Septic Systems 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 well contractor must submit the final invoice, well log and copies of bills from subcontractors to the Property & Land Division/Wells & Septic Systems.

The MDA AgBMP loans are disbursed from Blue Earth County in one payment made directly to the well 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

Well and Water Treatment 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 \$3,000.** There can be no more than one well and water treatment 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 wells out of compliance, as defined by Minnesota Rules, Chapter 4725, 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 wells and drinking water that serve existing, single-family, owner-occupied dwellings.

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.

ELIGIBLE COSTS

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

1. Well construction and well sealing.
2. Plumbing and electrical, directly related to be necessary for the well system.
3. County well permit fee.
4. Repair or replacement of non-compliant wells.
5. Frequently flooded wells
6. Installation of filtration and treatment equipment such as reverse osmosis and carbon filters.
7. Projects designed to achieve primary drinking water and/or secondary drinking water standards.

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 the lien recorded by the Customer Services & Records Division.

INELIGIBLE COSTS

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

1. Installation of well work and/or water treatment equipment installation before loan is approved and legally recorded.
2. Fees for well and water treatment loan application and recording special assessment lien.
3. A new well on a parcel where a well does not exist currently.
4. Land acquisition or easement costs for construction of a well.
5. A new well where the current well complies with all drinking water standards.
6. Connection to central water when the landowner is not currently using an existing privately-owned well.
7. Wells not used for drinking water for humans or livestock, such as for irrigation or industrial processing.
8. Replacing wells that have gone dry or have inadequate yield.
9. Maintenance of wells.
10. Activities that violate local, state, and federal statutes, rules, and regulations.

LOAN AVAILABILITY

The availability of loans for well work 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 provide drinking water that is compliant with State and Federal standards in Blue Earth County.

Approved applicants are expected to have their well work and/or water treatment equipment installation 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) 304-4381

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
507-304-4381

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

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|----------------------------------|---|---|
| Date: _____ By: <u>THG / JLA</u> | Taxes Current: <input type="checkbox"/> Yes <input type="checkbox"/> No | Application Fee (\$150) Paid: <input type="checkbox"/> Yes <input type="checkbox"/> No Date: Receipt #: |
| Market Value: \$ _____ | Value of liens and mortgages: \$ _____ | |
| Approved Denied Notified: _____ | Installation Required by: _____ | |
| Lien Signed: _____ | Payment Made: _____ | |
| MDA AgBMP Form: _____ | _____ | |
| <i>SWCD Approval \$</i> | <i>BEC Approval \$</i> | |