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# CHISAGO COUNTY SEPTIC LOAN PROGRAM POLICY

## SUBSURFACE SEWAGE TREATMENT SYSTEM (SSTS) LOAN FUND

### I. PURPOSE

The purpose of the program is to improve water quality throughout Chisago County by providing to real property owners, who cannot otherwise obtain funding from other sources, the necessary funds to upgrade SSTS which have been determined to be an imminent threat to public health.

### II. ELIGIBILITY REQUIREMENTS

1. Subsurface real property owners with property located in Chisago County under the jurisdiction of the Chisago County Zoning and SSTS Ordinances.
2. The SSTS has been determined to be an imminent threat to public health or failing to protect groundwater as defined in State Rule Chapter 7080 and 7082 and the Chisago County Subsurface Sewage and Wastewater Treatment System Ordinance 10-1.
3. The real property owner must have two letters of loan denial from an approved loan institution such as a bank or credit union, or state or federal loan programs.

### III. PROCEEDS

All loan proceeds are to be used for site evaluation, tank pumping, design, installation, repair and replacement or tank abandonment of SSTS on private property. Loans may not be used for SSTS installed on any new building construction. A loan may not exceed a maximum of \$15,000 plus interest unless prior approval has been received by the Chisago County Department of Environmental Services/Zoning.

### IV. ASSESSMENT PERIOD

The loan, interest, and fees will be amortized up to a maximum ten year period, and will be shown as a special assessment on the real estate tax statement. The special assessment, or payment, will become due as shown on the real estate tax statement. The loan creates a lien against the property.

### V. COST OF LOAN

A fee will be charged to each application, which will be included in the total loan amount. (This fee includes a septic permit, recording fee, and administrative fee) Interest will be set at 50% of the prime rate established by the Federal Reserve Board. The interest rate will be set on January 1 and July 1 each year for all loans approved subsequent to these dates. Interest, compounded annually, will be charged to the loan. The interest rate will remain fixed throughout the life of the loan.

**VI. AVAILABILITY OF FUNDS**

Application for the SSTS Loan Fund shall be made to the Department of Environmental Services/Zoning on a form provided. A minimum of two bids by a licensed septic installer must be received for work to be completed. The lowest responsible bid will be chosen. Funds are available from Chisago County and will be provided, upon receipt of SSTS as-built and passage of final inspection, to the contractor performing the work. Applications are treated on a first come – first served basis. However, SSTS determined to be an imminent threat to public health will take precedence for receipt of a loan regardless of the application date. Chisago County reserves the right to limit loan fund availability.

**VII. LOAN LIMITS**

The loan limit will be no more than 100% of the final project cost.

**IMPORTANT! This loan will create a lien against the real estate property and will be filed with the Chisago County Recorder. All taxes and recording fees will be the responsibility of the homeowner.**

The Chisago County Treasurer will monitor all payments and provide the real property owner with the information listed below:

1. The amount to be assessed against the real property and the period of assessment.
2. The rights of the real property owner to prepay the assessment, including to whom, where and when, prepayments may be made. There will be no penalty for prepayment of the loan.
3. Statutory penalties for late payment of taxes apply.

**VIII. CONTRACT FOR DEED**

If the subsurface sewage treatment system is located on land which is being purchased on a Contract for Deed, the seller's signature is required on the loan agreement before final payments can be made to the contractor.

**IX. QUESTIONS**

Contact the Chisago County Department of Environmental Services/Zoning at: 651-213-8371.