



Check #

SEPTIC SYSTEM IMPROVEMENT LOW INTEREST LOAN GUIDELINES

1. The system must serve residential, non-commercial property located in Brown County. Applicant must be the property owner. No income requirement.
2. Property must have an existing prohibited, or non-conforming septic system. Specifically, this includes the following types of failed system:
  - Discharge to surface
  - Tiled to drainage or road ditch
  - Discharge to cesspool, seepage pit or dry well
  - Less than 2 foot separation (3 foot in shoreland, or 30 inches if constructed after 1996) to seasonally saturated soil
  - Lack of a system
3. Ineligible activities:
  - Refinancing a previously installed system
  - Septic for new home
  - Non-residential property
  - Constructed or permit issued before final loan approval
  - Under court order to repair the system or file has been turned over to County Attorney for violation of the Ordinance
4. Amount of loan is limited to not more than the total cost of designing and installing a conforming septic system. 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 may not exceed the reasonable cost of similarly designed system.
5. **Construction must occur within three months of the loan approval date.**
6. The contractor must be certified to install septic systems by the MPCA and hold a current state license. **The septic design must be approved by the county inspector prior to loan approval. The system design must meet or exceed the minimum standards set forth in Minnesota Rules 7080, 7081 and the Brown County Zoning Ordinance. No Type 4 or 5 systems will be permitted to be financed by the program.**
7. Interest Rate: Annual 3½ % APR interest will accrue beginning the date Brown County pays the contractor bills and the lien has been signed.
8. **Application fee: \$175. This includes the cost of the county permit for construction of the septic system and for recording the lien statement. This non-refundable fee must be paid when the low interest loan application is turned in at the Planning and Zoning Office. (The recording fee of \$46 for the lien satisfaction will also be collected at this time.) Total \$221.00**
9. Payment to contractors for valid bills will be made by Brown County upon submission by the loan applicant of:
  - a) Bills for work done in accordance with the estimates and approved designs.
  - b) Notarized signature of statement for loan amount, which will be recorded as a lien against the property.
10. Loans may be repaid for up to 5 years. Last payment on loans must be paid with taxes payable. Loans to be repaid in level principal amounts. May be paid in full at any time. Liens filed after January 31 of any given year will be assessed on the following year’s tax statement. *You may at any time pay the entire amount of any remaining balance with interest accrued to December 31 of the year such payment is made. Such payment must be made before November 15 of any year or interest will be charged through December 31 of the succeeding year.*
11. Upon satisfaction of the lien, the county will create a statement of satisfaction of lien, and will submit to the Recorder’s office. The fee was collected at the time of loan application (see #8 above).

**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