

Martin County
SUBSURFACE SEWAGE TREATMENT SYSTEM (SSTS) LOAN FUND

PURPOSE:

The purpose of this program is to improve the water quality throughout Martin County by providing a financing source for Subsurface Sewage Treatment Systems (SSTS) for property owners.

AVAILABILITY OF FUNDS:

- Funds are from county dollars, and available until the funds are depleted.
- Applications are on a 1st come-1st served basis.
- However, if you are not prompt in completing all stages of the process, another applicant may receive funding dollars before you.

WHO CAN APPLY?

- *Corporations, Non-Profits, and Public Entities are **not** eligible for the SSTS fund.*
- Only individual property owners who own land in Martin County can apply.
- This includes septic system upgrades for bedroom additions to existing property, seasonal residences, and rental property. All of the property owner's real estate taxes must be current.
- Application fee is **\$275**. (Fee breakdown ~ \$200 septic permit fee; \$46 loan document recording fee; and \$29 administrative fee).

ASSESSMENT PERIOD

- The loan creates a lien against your property. **Note: Martin County DOES NOT subordinate.**
- **The minimum pay-back amount per year is \$500, plus interest.**
- The loan plus interest is amortized up to a **maximum TEN-year term**, and will be shown as a **special assessment** on your real estate tax statement. The special assessment or payment will become due as shown on your real estate tax statement.

LOAN INTEREST

- The current rate of interest, set by the Board of Commissioners, is 2% for below moderate incomes and 4% for above moderate incomes.
- Once your interest rate is established, it will remain the same over the life of your loan.

MORTGAGE REGISTRATION TAX

- On August 1, 2001, the State of Minnesota Department of Revenue passed Minnesota Statute section 287.04, Revenue Notice #01-05 and #01-06: Mortgage Registry Tax.
- This notice addresses the issue of a mortgage registration tax for all loans made through government agencies.
- In short, the State is requiring government mortgage loans taxed at a rate of \$.0023 on the total amount of the loan.
- **This amount MUST be paid (by a separate check) before loans can be recorded.**

IMPORTANT!

- **This loan CREATES A LIEN AGAINST YOUR REAL ESTATE** property and is a legal document filed with the Martin County Recorder.
- **Note:** Martin County DOES NOT subordinate. The lien from this loan will take priority over any liens formed in other agreements by you made in the future. (For Example: If you refinance in the future your current mortgage, which currently has priority to the lien from this loan, that refinanced mortgage will lose its priority to the County's lien. Most mortgage companies request that the County subordinate it's lien to the refinanced mortgage, which the County will not do. The mortgage company then may require you to pay off the County's loan before the mortgage company will refinance.)

PROCEEDS:

- All loan proceeds are for site inspection, design, installation, repair and replacement of subsurface sewage treatment systems, on privately owned property.
- *Loans cannot be used to facilitate **new** building construction.*

The Martin County Auditor/Treasurer will monitor all payments and provide you with the information listed below, at your request:

- Amount assessed against your property.
- Time length to re-payment your assessment.
- Right as property owner to pre-pay your assessment.
- To whom, where and when, pre-payments may be made.
- The penalties, if not paid on due date.

LOAN LIMITS

- The loan limit will be up to 100% of the final septic system design and installation cost.
- The loan shall not exceed the assessed market value of the property on which the individual sewage treatment system is located.

CONTRACT FOR DEED

- If your subsurface sewage treatment system is located on land in which you are purchasing on a "Contract for Deed", the seller's signature is required on your loan agreement.

SEPTIC CONTRACTOR LISTING

- You may request a listing of licensed septic contractors in Martin and surrounding counties.
- Or, for the most up-to-date information, search the SSTS listing from the state via the web:

<https://webapp.pca.state.mn.us/ssts/business-search>

**If you have any questions
Contact the Martin County Planning & Zoning Office
(507) 238-3242**

**Estimated Yearly Payment
10 Year Term**

Loan Amount	2%	4%
\$10,000 - 14,999	\$1,200 - 1,800	\$1,400 - 2,100
\$15,000 -19,999	\$1,800 - 2,400	\$2,100 - 2,800
\$20,000 - \$25,000	\$2,400 - 3,000	\$2,800 - 3500

SSTS LOAN AGREEMENT PROCESS

Step 1

- Applicant(s) completes and submits listed documents to the Planning & Zoning Office:
 - Application Form ~ 2 pages PLUS Income worksheet.
 - Written cost estimate from a licensed septic contractor.
 - Copy of the deed/contract for deed (available from the Recorder's office for a small fee).
 - Copy of their last year's tax returns ~ may submit up to 3 years to get an average adjusted gross income, which will determine the rate of interest.

Step 2

- Planning & Zoning Official reviews the application:
 - If approved, a letter along with the "Request for Payment" form will be sent to the applicant.
 - If denied, a letter is sent to the applicant.

Step 3

- System is installed by a licensed contractor(s).
- Contractors provides applicant with final bill(s).

Step 4

- Applicant mails final bill(s) and signed/dated "Request for Payment Form" to Planning & Zoning Office. This indicates the system installation is complete and to their satisfaction.

Step 5

- Loan Agreement documents are prepared and mailed to applicant:
 - Applicant(s) must sign the loan agreement documents in the presence of a Notary.
 - All names on a Trust must sign the Loan Documents.
 - Spouses must sign the Loan Documents, even if name is not on the Deed.
 - Notary services are available at the Courthouse, if needed.

Step 6

- Applicant returns the signed/notarized Loan Agreement documents, along with a check for the mortgage tax fee, to the Planning & Zoning Office.
- The Planning & Zoning Office then obtains notarized signatures from the County Coordinator and County Board Chair.
- Planning & Zoning Office then submits voucher(s) to the Martin County Auditor/Treasurer, indicating payment can be made to the contractor(s).

Step 7

- Loan Agreement documents are officially recorded.

Martin County SSTS Loan Fund Application Form

Designer/Installer Name and Address _____

License # _____ Phone Number _____

Cost Estimate: \$ _____ Expected Installation Date: _____

Loan Amount Will Not Exceed Estimate

Septic Permit Number _____

Do you want the Application Fee as a part of the Loan Request? Yes No

Check Number _____ Amount \$ _____

Pre-Loan Approval Granted By: _____
Zoning Official Date

Signature of Applicant: _____ **Date:** _____

A Complete Application Requires You to Have the Following Attachments:

- Cost Estimate** with Contractor/Installer Signature
- Copy of Trust** if applicable
- Deed** or Contract for Deed for the Property on which the system will be located.
(This is the Legal Description)
- Income** Eligibility Worksheet (attached)
- A Copy of Your Last Three Years **Tax Returns**, Showing Your Adjusted Gross Income (AGI)
- If the system is in a Municipality ~ There must be a **Letter** from the Municipality, stating that they have given permission to put in a SSTS.

<p>All application materials are:</p> <p>PUBLIC INFORMATION</p> <p>And</p> <p>SUBJECT TO VERIFICATION</p>

MARTIN COUNTY SSTS LOAN FUND INCOME WORKSHEET

Property Owner(s) Name _____ Date _____

Include Annual Income from The Property Owner(s). Use additional sheets if necessary.

Adjusted Gross Income from IRS Form 1040 (previous year ~ or the last 3 years ~ if an average of the past years gives a better representation of your income)

Year _____ \$ _____

Year _____ \$ _____

Year _____ \$ _____

TOTAL \$ _____ **divided by** years = \$ _____

Number of People in Property Owners Household = _____

Non-Taxable Income from The Previous Year.	<u>Source</u>	<u>Amount</u>
Interest, dividends, pension, disability,	_____	\$ _____
child support, social security income, etc.	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

Total Non-Taxable Income \$ _____

Other Sources of Income Not Included Above.	<u>Source</u>	<u>Amount</u>
	\$ _____	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____

Total From Other Sources
Total of All Income Sources

\$ _____

FmHA Moderate Income Guidelines for Martin County Based on Number of People in Household

Moderate	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Income	\$ 47,200	\$ 53,200	\$ 59,150	\$ 65,100	\$ 69,850	\$ 74,650	\$ 79,400	\$ 84,150

The Above Information Is True and Correct to The Best of My Knowledge.

Applicant's Signature

Date