



*Lac qui Parle – Yellow Bank  
Watershed District  
600 6th Street  
Madison, MN 56256  
(320) 598-3319*

**TO:** Low Interest Subsurface Sewage Treatment System (SSTS) Loan Applicants  
**FROM:** Mitch Enderson, Lac qui Parle-Yellow Bank Watershed District Coordinator  
**SUBJECT:** SSTS Loan Process

Thank you for your interest in this low interest loan program for upgrading SSTS. You will need to follow the following steps to ensure that you are eligible for this funding.

- 1) **Apply for the loan and receive approval of the application**  
The Lac qui Parle-Yellow Bank Watershed District accepts the loan application and verifies that you are eligible for the loan. An estimate from a state certified installer for the replacement of your current system is required on the loan application. Contact myself or the County Environmental office for a list of certified installers. Your property taxes must be current and the property must be assessed to at least \$10,000 by the county assessor. Your system must be failing or need to be upgraded (this is not for new systems) and you have agreed to properly maintain your system until the loan is repaid in full. Construction can not begin until you receive your approval letter.
- 2) **Lac qui Parle County Zoning Permit**  
The Lac qui Parle Environmental Office in the Courthouse issues Zoning Permits for the county. They have developed a list of steps for you to follow to get your SSTS installed or replaced. By following these steps, your system will meet the required standards which are required for the loan and will go on record. This also helps protect you in the event there are problems later.
- 3) **Contactor Bills for Services Performed**  
You will need to bring all invoices and bills into the Watershed District office after installation is complete. The District will process them and send them into Minnesota Pollution Control Agency and they will forward money to the Watershed District who then pays the invoices. The check will be made out to you AND the contractor. The payment should be completed within 30 days.

Your project is eligible for funding only if you are replacing/upgrading a failing system. If the work is begun before the first two steps are met, you become ineligible for the loan. All expenses, including zoning permits and inspector fees are eligible expenses for this loan.

**LAC QUI PARLE-YELLOW BANK WATERSHED  
LOW INTEREST LOAN APPLICATION FOR INDIVIDUAL SEWAGE TREATMENT SYSTEMS**

*Please Print Clearly*

Telephone \_\_\_\_\_  
Name of Applicant (*Must be property owner*) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name of Contract for Deed Vendor \_\_\_\_\_ Signature \_\_\_\_\_

Name of Contract for Deed Vendee \_\_\_\_\_ Signature \_\_\_\_\_

Legal Description \_\_\_\_\_

Township \_\_\_\_\_ Section Number \_\_\_\_\_ Parcel Number \_\_\_\_\_

Septic Installer Name \_\_\_\_\_ Project Cost Estimate \$ \_\_\_\_\_

Final Project Cost \$ \_\_\_\_\_

**SEPTIC SYSTEM LOAN TERMS**

The septic system must serve property located within the Lac qui Parle-Yellow Bank Watershed District. For specific boundary parameters, please contact the Lac qui Parle-Yellow Bank Watershed District or Clean Water Partnership project. The applicant must be the property owner listed on the tax roles in the Lac qui Parle County Auditor/Treasurer's office.

The property to benefit from the loan must have an existing failing septic system. A system shall be defined as failing according to MN rules Chapter 7080 and Lac qui Parle County Ordinance requirements.

Ineligible activities include: refinancing a previously installed septic system, a septic system for a new home or if the system is currently under court order for replacement/repair.

Applicant may borrow less than the total construction cost, but may not request more than the actual cost of design, construction and inspection. The cost of the system must not exceed the *reasonable* cost of a similarly designed system, and construction must occur within six months of the loan application date. Construction may begin only after the approval letter is received. Proper maintenance including pumping will be required until loan is repaid.

Interest rate for the term of the loan is 3.5% APR. The loan may be paid in full within 30 days after Lac qui Parle-Yellow Bank Watershed submits payment to the property owner/installer without accruing interest. Loan terms are for 10 years. The loan amount will be added to property taxes as a special assessment. Payments are due semi-annually along with respective property taxes. The property owner has the right to prepay the assessment at any time.

Payments made by the Lac qui Parle-Yellow Bank Watershed District will include both property owner and septic system installer jointly as payee.

**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(s) \_\_\_\_\_ Date \_\_\_\_\_

Your signature indicates your intent to borrow the estimated loan amount requested under the terms described on this application. It is understood by the property owner(s) that the loan balance will be added to the property tax statement as an assessment unless prepaid. Application signatures do not require notarization.