

# SEWAGE TREATMENT SYSTEM LOAN APPLICATION

*Coordinated by the Kandiyohi County Environmental Services Department  
400 Benson Ave. SW, Willmar, MN 56201  
Telephone: (320) 231-6229  
[www.co.kandiyohi.mn.us](http://www.co.kandiyohi.mn.us)*

## **LOAN APPLICATION PROCEDURE**

1. The landowner needs to contact the Kandiyohi County Environmental Services Department with the interest in upgrading their failing individual sewage treatment system. Department staff will provide a list of licensed ISTS designers and installers and provide this CWP Loan Application.
2. The landowner needs to contact a state licensed sewage treatment system designer/installer and obtain a design. The sewage treatment system design must be submitted to the Environmental Services Department and subsequently approved. All designs must meet the specifications of Kandiyohi County Ordinances. A sewage treatment system permit fee of \$200.00 must also be paid to the Environmental Services Department.
3. The landowner submits this completed loan application (with a signature from a property owner and a project estimate) to the Environmental Services Department. A non-refundable application fee of \$100.00 must accompany the application (payable to the Kandiyohi County Treasurer). Upon the preliminary approval of the application by Department staff, it is forwarded to the Kandiyohi County Auditor's Office.
4. The Auditor's Office will verify up-to-date taxes, accurate ownership, and check for any other liens or assessments against the specified parcel. The Auditor's Office will provide this information to Department staff. If the verification meets these aforementioned guidelines, a letter is sent to the property owner approving project commencement.
5. Upon completion of the septic system, Department staff will inspect the septic system. If it meets the requirements, Kandiyohi County will issue a certificate of compliance to the property owner. The landowner must submit a final invoice for the project (supplied by the contractor) to Department staff. The exact amount to be borrowed will then be verified with the landowner and will be certified to the taxes as a special assessment.
6. Department staff will specify the loan principal, interest rate, term, and the legal description of the property the loan will be assessed against.
7. Department staff will request funds from the MPCA. The funds will be sent directly to the Kandiyohi County Auditor's Office and payment will be sent to the contractor. The Auditor's Office acknowledges to Department staff that payment is complete.
8. The landowner makes payments to the Auditor's Office semi-annually along with their respective property taxes.
9. The Auditor's Office will submit loan payment to the MPCA semi-annually.

# SEWAGE TREATMENT SYSTEM LOAN APPLICATION

\_\_\_\_\_  
(name of applicant/landowners)

\_\_\_\_\_  
(telephone #)

\_\_\_\_\_  
(mailing address)

\_\_\_\_\_  
(city)

\_\_\_\_\_  
(state)

\_\_\_\_\_  
(zip code)

\_\_\_\_\_  
(legal description; attach if necessary)

\_\_\_\_\_  
(parcel #)

contractor name \_\_\_\_\_

project cost estimate = \$ \_\_\_\_\_

loan amount requested = \$ \_\_\_\_\_

## SEWAGE TREATMENT SYSTEM LOAN TERMS

The septic system must serve property located within Kandiyohi County. The applicant must be the property owner on the tax rolls in the Kandiyohi County Auditor's Office.

The property to benefit from the septic system must have an existing prohibited or failing system. Specifically, this includes the following types of failed/failing systems: discharge to the surface, discharge to cesspool, seepage pit, or dry well, and any system with less than 3 feet of soil between the bottom of the drainfield medium and the saturated soil or bedrock. Ineligible activities include; refinancing of 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 and construction. The cost of the system must not exceed the reasonable cost of a similarly designed system, and construction must occur within one (1) year of the loan application date. Construction may begin after the approval letter is received.

Interest rate for the term of the loan is **1.0% APR**. The loan may be paid in full within thirty (30) days after Kandiyohi County submits payment to the landowner/contractor without accruing interest. Interest will begin to accrue after the thirty-day grace period. Loan terms are for **ten (10) years**.

All administrative fees, including the application fee (\$100.00), and the Kandiyohi County Sewage Treatment System Permit fee (currently \$200.00), may not be included in the loan amount requested.

Payment is made by the Kandiyohi County Auditor's Office to the contractor.

**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)

*Your signature indicates your intent to borrow the estimated loan amount requested under the terms described on this application. These application signatures DO NOT require notarization.*