

Can I apply for a loan and a grant?

Yes. However, grants are only available to households that meet certain income requirements. See the grant guidance for details.

My septic system is old, I'm pretty sure it needs to be replaced. Can I just apply?

In order to be eligible for either a loan or a grant, the landowner must demonstrate that the SSTS replacement will result in a water quality improvement. This means the system must be deemed noncompliant. If you haven't already, you will likely need to get an inspection done on your system. (see next question)

How do I know if my system is noncompliant?

If the county has not already ordered your system replaced, this needs to occur for you to qualify for a loan. In most cases, this will require an inspection. Inspections must be done by a licensed SSTS professional. You can locate inspectors via the following website: www.pca.state.mn.us/ssts-search.html Once the inspection is done, the information is turned into the county (by the inspector) who then verifies whether the system needs to be replaced, and will order replacement within a certain timeframe. There are some instances where the county can verify noncompliance without a third party inspection. This is true for scenarios like sewage backups, or direct surface discharge.

Contact the county to inquire about the status of your system.

I am upgrading my septic system because I am adding another bedroom and bathroom. Can I apply for a loan?

If you are upgrading a currently compliant system, you are not eligible for a loan or grant. In order to be eligible for either a loan or a grant, the landowner must demonstrate that the SSTS replacement will result in a water quality improvement.

What are the term lengths and interest rates?

Loans are available for 5, 8 or 10 year payback periods. Interest rates will vary depending on the length, at 1.5%, 2% and 3% respectively.

How do loan payments work?

Loan payments are set up to be processed through Washington County's tax payment system. Once funds are disbursed, each fall, the county will certify the loan amount, and it will be set up as a special assessment that will appear on your tax statement each year until the loan is paid off. Term lengths include 5, 8 or 10 year options, each with different interest rates. The first loan installment will be due in the spring of the following year. For example, a loan disbursed on August 31st, 2018, payment will start in the spring of 2019.

For funds that are disbursed after November 15th through December 31st of each year, the loan will not be added to property taxes and assessed, but the department will bill the homeowner separately for the first year. This prevents excess interest from being charged to the borrower.

Sample repayment schedules are available on request. Contact CDA or the county for details.

Do I still have to pay for the design of the septic system?

The design fee for a SSTS is often a separate contractor and a separate cost, which is done before an installer is selected. SSTS loans do not cover design fees.



SSTS FINANCIAL ASSISTANCE FREQUENTLY ASKED QUESTIONS (FAQ)

What happens once I am approved for a loan?

You will need to sign a lien agreement with the county. DO NOT proceed with work until this is fully executed. **There is a \$46 recording fee and also MN Revenue, Mortgage Tax** that needs to be collected from homeowners for lien agreements that are recorded.

When can my contractor begin work on the system?

Your contractor should not proceed with work on the SSTS until the lien agreement has been signed, and the permit has been issued. The county issues both of these documents, so one may be waiting for the other.

How will payment to the contractor work?

Once the system is in place, and a certificate of compliance has been issued, a borrower can submit the final invoice to the county.

What if I refinance or sell my property, after I've received a loan?

If a borrower refinances, the County must be contacted to determine if the loan can be subordinated. In general, if a borrower is refinancing to secure a better rate or lower payments, the SSTS loan can be subordinated. If the borrower is taking out equity or cash, the loan will not be subordinated.

In the event of a property sale, the loan and lien on the property must be satisfied before the property is transferred. The County will issue a lien release once payment is received.

If you are planning to sell your home or are considering refinancing or taking equity out of the property, call the CDA to discuss your situation.

What will a typical payment structure look like, since it's assessed on my property taxes?

For property owners who have a mortgage with an escrow for property taxes and insurance, your lender may incorporate the special assessment for your septic loan repayment into your required escrow at the beginning of each year. The assessment amount will be spread out over 12 months, and your monthly mortgage payment will increase to reflect the additional amount due for the septic loan.

For property owners who do not have a mortgage or who pay taxes directly to the County instead of having a tax escrow, special assessments for septic loans are due at the same time as property taxes in May and October.

I'm not sure if I can pay the \$225 application fee for the loan program.

Contact the county if you are experiencing financial hardship. You may also be eligible for the SSTS fix up grants, available to low income households. Grant funds cannot be used to pay your application fee, but it will help balance costs.

Where do I submit my application?

Application packets should be submitted to the Washington County Community Development Agency, 7645 Currell Blvd, Woodbury, MN 55125

I have questions about the financial documentation, who should I call?

Contact the CDA at 651-458-0936.

I have questions about whether my septic system is eligible, who should I call?

Contact the County at 651-430-6655.