

Septic System & Well Application

Information and Application Procedure

The ISTS Loan (Individual Sewage Treatment System) Program will be used to repair or replace existing septic systems in Cass, Crow Wing, Morrison, Todd and Wadena counties. Also included is Beltrami County. Loans at a rate of 3% will be provided to qualified property owners. The Minnesota Department of Agriculture has allocated funds to these counties to finance loans. The Region Five Development Commission will administer these funds.

Terms:

- No income limits but must show repayment ability
- On loans greater than \$5,000, the landowner is required to pay 10% of the amount over \$5,000 as an owner's equity injection into the project.
- Maximum interest rate shall be 3% per annum
- Maximum term is five (5) years
- An origination fee of \$50.00 shall be charged to the borrower, along with other customary closing costs and recording fees.
- Landowner will sign a promissory note and mortgage lien on real estate to secure the loan.

Eligible Projects:

- Repair or replacement of an existing septic system or well that does not conform with the provisions of the MN Rules Chapter 7080.
- Relocation of ISTS out of environmentally sensitive area
- Replacement of septic system or well that is failing or non-conforming
- Mandated connection or hook-up to a city waste-water system. **Do not submit to county; send these project applications directly to Region Five Development Commission**

Ineligible Projects:

- ISTS in excess of 5,000 gallons of waste water per day.
- Installation of ISTS or well for new construction, **new construction does not qualify.**
- Expansion or upgrading of a conforming ISTS due to construction of additional living quarters or expanded use.
- Costs incurred before the loan is approved, or before receiving a letter committing funds to your project.
- Costs incurred after the expiration date on the commitment letter.

Process:

1. Request or download an application. Loan funds can be disbursed to property owners in Cass, Crow Wing, Morrison, Todd or Wadena County. Beltrami County is also included.
2. Complete the application packet and return it to your county contact listed below. If the project is a city sewer hook-up, send the packet directly to Region Five Development Commission. The application packet should include:

- Personal financial statement
 - County-wide ISTS Loan Application allowing credit check
 - A contractor's bid
 - Proof of income
 - Complete and accurate legal description
 - \$50 application fee, make the check payable to: Region Five Development Commission
3. The loan board usually meets the second Thursday of each month. They review the financial package and make a recommendation to the Commission; the Commission gives final approval. Allow 2-4 weeks for a decision.
 4. You will receive the Board's decision in writing. If your request is approved, Region Five Development Commission will send you a confirmation letter, committing funds to your project. Sign and return the commitment letter to Region Five Development Commission.
 5. Retain the installer/contractor to begin the work.
 6. After the system is installed, contact Region Five Development Commission to arrange a closing date. Funds will be disbursed for the bid amount authorized in your commitment letter. The check will be made out to both the applicant and the installer.

Water well loans: will be used to repair or replace existing water wells in Cass, Crow Wing, Morrison, Todd and Wadena counties. Loans at a rate of 3% will be provided to qualified property owners that can show repayment ability. The USDA has allocated funds to these counties to finance loans. The Region Five Development Commission will administer these funds. The loan process is the same for both loans.

Terms:

- The landowner is required to pay 10% of the amount over \$5,000 as an owner's equity injection into the project.
- Maximum interest rate shall be 3% per annum
- Maximum term is five (5) years
- An origination fee of \$50.00 shall be charged to the borrower, along with other customary closing costs and recording fees. Some closing costs can be rolled into the loan.
- Landowner will sign a promissory note and mortgage lien on real estate to secure the loan. \$50 application fee, make the check out to: NCEDA

County Contacts:

Beltrami County Environmental Services

Brent Rud
701 Minnesota Ave, Suite 113
Bemidji, MN 56601
1-218-333-4158
brent.rud@co.beltrami.mn.us

Cass County Environmental Services

Septic or well:
Dawn Berg
PO Box 3000
Walker, MN 56484
Phone: 1-218-547-7291
cass.esd@co.cass.mn.us

Crow Wing County Planning & Zoning

Septic or well:
Jacob Frie
322 Laurel Street; Suite 14
Brainerd, MN 56401
1-218-824-1124
jacob.frie@co.crow-wing.mn.us

Morrison County

Septic system or well:
Amy Kowalzek
Morrison County Planning & Zoning
213 1st Ave SE
Little Falls, MN 56345
(320) 632-0170
amyk@co.morrison.mn.us

Todd County

Septic system:
Sarah Katterhagen
347 Central Ave, Suite 2
Long Prairie, MN 56347
www.toddsxcd.org
320-732-2644
sarah.katterhagen@co.todd.mn.us

Wadena County Planning & Zoning

Deana Malone

415 Jefferson Street S

Wadena, MN 56482

1-218-631-7604

deana.malone@co.wadena.mn.us

For information only:

Region Five Development Commission

Stephanie Barney

200 1st Street NE; Suite 2

Staples, MN 56479

1-218-3233x6

sbarney@regionfive.org