



Murray County Septic System Loan Application

Coordinated by the Murray
County Water Resources Department
2500 28th Street, PO Box #57, Slayton MN 56172-0057
telephone (507) 836-1165 fax (507) 836-8904

LOAN APPLICATION PROCEDURE

1. The landowner needs to contact the Environmental Services Office with the interest in upgrading their failed or sub-standard individual septic treatment system. The office will provide a list of licensed ISTS designers and installers and provide this Loan Application.
2. The landowner needs to contact a state licensed septic system designer/installer and obtain a design. The septic system design must be submitted to the Murray County Environmental Services Office and subsequently approved. All designs must meet the specifications of Murray County Ordinances. A septic system permit fee of \$150.00 must also be paid to the Environmental Services Office.
3. The landowner submits this completed loan application (*with a signature from a property owner and a project estimate*) to the Water Resources Administrator. A non-refundable application fee of \$20.00 must accompany the application (*payable to the Murray County Auditor's Office*). Upon the preliminary approval of the application by the Water Resources Administrator, it is forwarded to the Murray County Auditor's Office.
4. The Murray County Auditor's Office will verify up-to-date taxes, accurate ownership, and check the assessed value of the specified parcel to make sure it is higher than the septic system estimate. This information will be provided to the Water Resources Administrator. If the verification meets these guidelines, a letter is sent to the property owner approving project commencement.
5. Upon completion of the septic system, the Environmental Services Office will inspect the septic treatment system. If it meets the requirements, Murray County will issue a certificate of compliance to the property owner. The landowner must submit a final invoice for the project (*supplied by the contractors*) to the Water Resources Administrator. The exact amount to be borrowed will then be verified with the landowner and will be entered onto a recordable lien document.
6. This recordable lien document will be completed by the Water Resources Administrator and sent to the landowner. This document will specify the loan principal, interest rate, term, and the legal description of the property the lien will be assessed against. This recordable lien document will need to have notarized signatures by the property owners.
7. After the recordable lien document is returned to the Water Resources Administrator, it will be forwarded to the Murray County Recorder's Office.
8. Payment will be sent to the contractor upon receiving the completed recordable lien. The Auditor's Office acknowledges to the Water Resources Administrator that payment is complete.
9. The Auditor's Office will annually submit a list to the Murray County Commissioners of the liens, including applicable interest. The landowner makes payments to the Auditor's Office semi-annually along with their respective property taxes.
10. After the final payment is received from the landowner, the Auditor's Office will send a satisfaction of the lien to the landowner. The landowner is responsible to record the satisfaction in the Murray County Recorder's Office, and pay the respective fee.

(continued on back)

(name of applicant/landowners)	(telephone #)		
(mailing address)	(city)	(state)	(zip code)
(legal description; attach if necessary)	(township & section)		
(parcel #, from tax form)	(subdivision name, block #, lot #, if applicable)		

**please complete the following loan information*

contractor name _____ **project cost estimate = \$** _____

loan term – (circle one) **5** years **10** years **loan amount requested = \$** _____

SEPTIC SYSTEM LOAN TERMS

- The landowner must apply for applicable CWP Loan funds or Ag BMP Loan funds before applying for the Murray County Septic Loan funds. A letter of denial for the Ag BMP funds must be received from the bank for approval of this loan.
- The septic system must serve property located within Murray County. The applicant must be the property owner listed on the tax roles in the Murray 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 cesspool, seepage pit, or dry well, any system with less than three feet of soil or sand between the bottom of the distribution medium and the saturated soil or bedrock, or the current septic system does not meet current setbacks to the well, lake, property line, etc.
- Ineligible activities include; refinancing of a previously installed septic system, a septic system for a new home on a previously undeveloped lot, or if the system is currently under court order for replacement/repair.
- The Murray County Septic Loan shall not be used on an “other” system if a “standard” system can go in.
- 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 4.0% APR. The loan may be paid in full within thirty (30) days after Murray County submits payment to the landowner/contractor without accruing interest. Interest will begin to accrue after the thirty-day grace period. Loan terms are five (5) years or ten (10) years.
- All administrative fees, including the application fee (*currently \$20.00*), the Murray County Septic System Permit fee (*currently \$150.00*), and the cost for recording the lien with the Murray County Recorder’s Office (*currently \$46.00*), may not be included in the loan amount requested.
- Payments will be made by the Murray County Auditor’s Office to the contractor of the project.

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.**

01-041-000-0000-5531