



Community Septic Management Loan Program

P.O. Box 427

Barnstable, MA 02630



5% Interest Rate Betterment Loan Application To Be Completed by Homeowner(s)

Note to owner(s): This application is to be submitted to the Barnstable County Community Septic Management Loan Program, and income information is considered confidential. For purposes of this program, "Owner" is defined as a person, or persons, who has or have, legal title to residential facilities served by an on-site system, including, but not limited to, any agent, executor, administrator, trustee, or guardian of the estate for the holder of legal title. **Please provide all of the following information and be sure to sign the application. Use full legal names only. PLEASE PRINT NEATLY!**

1. Property/Owner information

Current Owner 1 _____

Property Address _____

Village _____ Zip _____

Home Telephone Number _____ Work Telephone Number _____

Cell Phone Number _____ Email Address _____

Current Owner 2 _____

Home Telephone Number _____ Work Telephone Number _____

Cell Phone Number _____ Email Address _____

Deed Reference Book _____ Page _____ or Document No. _____

Assessor's Information Map _____ Parcel _____ Other _____

Property taxes Current? ☐ Yes ☐ No

Is the property currently on the market? ☐ Yes ☐ No

2. Mailing address (if different from above)

Street Address or PO Box _____

Village _____ State _____ Zip _____

3. Type of residential structure is (check one)

☐ Single family home (owner occupied) ☐ Condominium

☐ Single family home (rental property only) ☐ Multi-family home (number of units) _____

☐ Other (describe) _____

4. Property is (check one)

☐ Owner Occupied ☐ Occupied by owner and tenants ☐ Tenant occupied only

5. Total number of persons in residence

Owner Occupied _____ Tenant Occupied _____

Ages of residents (number each age) 0-9 _____ 10-19 _____ 20-39 _____ 40-59 _____ 60 & over _____

Please be sure to complete the other side of this form

6. Building description

Total number of bedrooms _____

Total number of bathrooms _____

7. Has the septic system been inspected and certified "failed"?

☐ Yes ☐ No

If "yes", provide a copy of the inspection report. If "no", what **signs and symptoms** indicate failure, and the repair/replacement activity anticipated, for example replace cesspool(s) with a Title 5 system, replace leaching field, etc.

8. Ethnicity (for government reporting purposes only)

☐ Asian ☐ American Indian ☐ Brazilian ☐ Portuguese ☐ Black or African American
☐ White ☐ Hispanic or Latino ☐ Cape Verdean ☐ Multiracial ☐ Other _____

9. Financial information

Include a signed and dated copy of your most recent Federal Tax Return [1040] with this application.

For applicants not required to file a Federal Tax return, evidence of source(s) of income, (e.g. Social Security, pension benefits, unemployment benefits, veteran benefits, public assistance benefits, etc.), indicating the monthly amount you presently receive from each source, should be included for documentation purposes.

10. Do you presently have a mortgage?

☐ Yes - **Please include a copy of your most recent mortgage statement with this application.**
☐ No

11. Are you presently in bankruptcy or have you filed for bankruptcy in the past?

☐ Yes ☐ No If yes, when? _____

12. Are you planning on refinancing your mortgage? If yes, please note that Barnstable County Betterment loans **can not** be subordinated to existing or future mortgages.

☐ Yes ☐ No

13. Reimbursement for costs associated with the septic system repair project up to 30 days prior to the receipt and approval of a completed application by Barnstable County is possible, but not guaranteed.

14. Certification by Owner(s)

I/we agree to sign a betterment loan agreement with the County of Barnstable for the amount of eligible project costs for the purpose of septic system repair or replacement, pursuant to the Title 5 definition of septic system failure, and am/are aware that any such loan would be secured by a betterment assessment, recorded on my property title, on the property identified above, with a repayment term to the County not to exceed twenty (20) years. I/we understand that the loan carries a 5% per annum interest rate and is payable monthly to the County of Barnstable. I/we also understand that the County may obtain a first priority lien on the homeowner's property if the repayments are not made on time. Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is made. I/we also understand that should payments not be made, the County, in addition to the preceding, has statutory authority to take title to the property and, subsequently, to undertake proceedings to foreclose the owner's right to redeem the property from tax title. Furthermore, I/we understand that the County of Barnstable reserves its rights under available statutes to recover any and all costs incurred for this project in the event my/our application to this program proves to be fraudulent.

This information provided is true and complete to the best of my/our knowledge and belief. I/we consent to the disclosure of such information of income and verification related to my/our application for financial assistance. I/we understand that any willful misstatement of material fact will be grounds for disqualification.

Applicant Signature

(Date)

Co-Applicant Signature

(Date)

Note: \$50.00 will be added to your loan to cover costs associated with securing this loan with the County of Barnstable Registry of Deeds.

Community Septic Management Loan Program

Frequently Asked questions

How can I qualify for the loan?

- If the residential property has a failed septic system and there is a clear title to the property, you can usually be approved for a loan.

What residential properties are covered?

- Primary as well as secondary residences, condominiums and apartment buildings are some of the types of properties covered.

What type of septic system upgrade is covered?

- Conventional septic systems, alternative septic systems and sewer system hook-ups are covered.

What exactly is a failed septic system?

- This is a septic system that meets either state or local definitions for failure including non-compliant systems.

My septic system has not been officially inspected so I do not have a report indicating a failed system. Therefore, what signs or symptoms of failure should I describe on the application?

- Frequent pumping, liquid at the surface, gurgling sounds or slow drainage of sinks, shower, or toilets and especially liquid flowing back into your basement are symptoms indicative of a failed septic system.

What type of work does this loan cover?

- It covers all work directly relating to the upgrade of a failed residential septic system. This includes the design of the upgrade and the installation of the new components. Also, incidental work associated with this project (e.g. loaming and seeding after work completion, repair to a driveway damaged during construction, plumbing changes required because of the upgrade, town water hook-up or well relocation required because of the septic system upgrade, etc.) are generally covered.

What do I need to submit in order to be approved for a loan?

- An original completed application, signed and dated, along with a signed and dated copy of your most recent 1040 Federal Tax Return is required at a minimum. If you do not file a Federal Tax Return, evidence of sources of income (e.g. Social Security benefits, pension benefits, etc.) should be submitted along with your application.

Approximately how long does it take to get approved for a loan?

- Once we are in receipt of all required information, you can be approved for a loan within 24 hours.

On the application is a question relating to a deed reference. What is this?

- This pertains to a reference for where your deed was recorded at the Registry of Deeds. Book and page refers to recorded land while the document number refers to land court property. If you do not have this information available, we will obtain it once the application is submitted.

The application also asks for assessor's information, map and parcel. What is this?

- This is the parcel identification information obtained from your local property tax bill. If you can not find this number, we will obtain it for you once the application is submitted.

Once approved for a loan, how do I begin the process of hiring contractors?

- Depending on the exact circumstances of your situation, you should either obtain bids from a designer if no plans for your upgrade exist or an installer if plans are available.

How many bids do I need to obtain?

- This decision is up to the homeowner. We recommend 3 bids, however this is not a requirement. You should obtain as many bids as you feel are necessary in order to obtain a competitive bid. Once you receive bids, you should forward copies of them to us for review.

What happens after I have received bids from contractors?

- We will prepare a Betterment Agreement for you to sign. Once signed in the presence of a notary public, we will be able to pay contractors for septic system related work.

How does the contractor get paid?

- The homeowner should not pay for any work if they expect to be reimbursed. Instead, an original invoice indicating a balance due should be sent to us for processing.

Can I fax an invoice to you?

- All invoices must be original. An e-mailed invoice is also acceptable.

What if I have paid for some of the work because I was anxious to get the project underway? Can I get reimbursed?

- Reimbursement for costs associated with the septic system repair project up to 30 days prior to the approval of a completed application is possible.

What are my payment options regarding the repayment of my loan?

- At present you may repay your loan either on a monthly or quarterly basis. The annual interest rate is 5%.

How long can I have to repay the loan?

- The maximum term is 20 years.

What happens if I am late with a payment?

- By law, the interest rate will increase from 5% to 14%. Your account will return to 5% if past due principal and interest payments become current.

Can I pay my loan off early?

- You must make the minimum payment due in order to avoid a penalty. However, you can pay more than the minimum and this amount will be credited to your outstanding principal thereby reducing your total interest payment. However, if you pay your loan off within the first year of signing an agreement with Barnstable County, we may charge you \$400.00, the minimum amount required to cover our operating costs.

Is there a tax credit available from the State of Massachusetts for my septic system repair project?

- There is a tax credit available for primary residence property owners. You should contact the state Department of Revenue with questions and to obtain Schedule SC necessary in order to obtain the credit.

How is my loan secured?

- Barnstable County records a Notice of Betterment Assessment at the Barnstable Registry of Deeds for the amount borrowed.

When my loan is paid in full, how do I get the Notice released?

- A Certificate for Dissolving Betterments will be prepared following your final payment. Please note that there will be only one original Certificate prepared. It will need to be recorded by you or your representative at the Registry of Deeds to indicate payment in full of the loan. The cost of recordation is your responsibility.

If I sell my house, can the outstanding obligation be assumed by the buyer?

- If the owner sells or transfers the property, whether voluntarily or involuntarily, the unpaid balance of principal and interest shall become due and payable to the County, unless the County has agreed in writing to permit the buyer or transferee of the property to assume the obligation to pay the unpaid balance. Generally speaking, however, the lender for the purchaser of the property will typically require that the County loan be paid in full so that an assumption of the outstanding obligation may not be an option.

I am planning to refinance my mortgage. The lender is requesting that my loan with Barnstable County be subordinated. Is this possible?

- The simple answer is no. Betterments are effectively a tax and taxes, whether federal, state or local cannot be subordinated to existing or new mortgages.

How long will this program remain available?

- There is no anticipated shortage of funding for this program.

Attention Residential Homeowners

Financial help with a 5% interest rate betterment loan is now available through the Barnstable County Community Septic Management Loan Program.

- Homeowners can now comply with Title 5 regulations.
- Loans repayable over 20 years, cover all costs directly associated with septic system upgrade.
- Application available online for interested residents.



Program Specifics

Existing septic system must be "failed".

All costs associated with carrying out a project required by Title 5 are eligible.

Eligible projects include alternative septic systems **and** sewer hook-ups.

Reimbursement for costs associated with the project up to 30 days prior to the receipt and approval of a completed application by Barnstable County is possible.

5% interest rate on loan.

Betterment assessment on property secures loan.

Maximum of 20 years repayment term.

Payments are made monthly payable to Barnstable County.

Loans to be made only for residential properties.

Residential properties include condominiums and apartments.

Homeowners obtain written bids for system design and then contracts for work.

Homeowners obtain written bids for system installation and then contracts for work.

Single-party check issued to contractor for work completed.

Certificate of Compliance must be issued before final payment is made.

For more
information
contact:

www.barnstablecountysepticloan.org

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Barnstable County

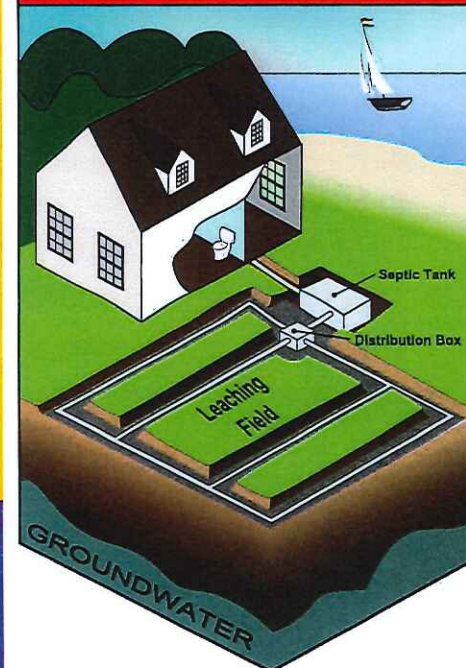


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Management Loan Program**

P.O. Box 427 / 3195 Main Street
Barnstable, MA 02630

www.barnstablecountysepticloan.org

SEPTIC SYSTEM FAILED?



**We can help
with excellent
loan terms!**

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