

Funding Options for Sewer Hook-Up

Barnstable County:

Community Septic System Loan Program provides a loan program for all costs directly associated with the hook-up portion of the project up to 30 days prior to the receipt and approval of a completed application. Maximum of 20-year repayment term, no minimum or maximum loan amount. 5% interest rate. Payments are made quarterly, payable to Barnstable County. A Betterment assessment on property secures loan. Funding does not pay for sewer betterment. A resident can contact Kendall Ayers directly for information and application forms at (508) 375-6610 or email at: kayers@barnstablecounty.org

MassHousing:

Septic System Repair Loans program provides a loan program for all costs directly associated with the hook-up portion of the project. 1 – 4 family homes & condominiums are eligible. Loan terms vary from 3 to 20 years. Minimum loan amount is \$1,000, maximum loan amount is \$25,000. Loans originate with participating lenders (there is no lender in Barnstable, closest lender in Fall River/Taunton). Loan rates are 0%, 3% or 5%, based on income. 0% loan: Family Size 1-2 person \$23,000, 3 or more \$26,000; 3% loan: Family Size 1-2 person \$46,000, 3 or more \$52,000; 5% loan: Family size 1-2 person \$92,000, 3 or more \$104,000. A lien is placed on property. Funding does not pay for sewer betterment.

The link to the MHFA Bank Loan program: <https://www.masshousing.com> This should bring you to the MHFA home page. For information about the Homeowner Septic Repair Loan Program, first click on "Home Ownership". Then scroll down to "Home Owners" and click on that. On this page, scroll down to "Septic System Repair Loans", and that will bring you to the information about the loan program I recommended to you. From here, you can download information (and a brochure) about the program and a list of participating bank lenders.

USDA Rural Development Agency:

Home Improvement and Repair Loan and Grant Program provide loans for low income residents and grants for low income senior citizens (62 and older). Senior citizen grant amount is \$7,500 (this is a life-time amount). Loans are income based, \$27,150 for 1 person up to \$51,200 for 8 person household. Maximum loan amount \$20,000 (senior citizens can obtain the grant plus a loan for a total of \$27,500). Repayment terms are up to 20 years at 1% interest. A lien is placed on the property for loan amount (no lien for grants). Note: the amount the USDA has to loan is based on federal funding, so they may not be able to fund all the homeowners. Funding does not pay for sewer betterment. The website for USDA Rural development program for very-low income homes is <http://www.rurdev.usda.gov/ma> Look under "Programs", and from that link click on "rural housing programs".

Septic Credit on Commonwealth of Massachusetts Income Taxes:

Schedule SC is the Septic Credit for Repairing or Replacing a Failed Cesspool or Septic System. This tax credit is based on the actual cost or \$15,000, whichever is less.

Homeowners can receive a credit of up to \$1500 per year for five years (for a maximum amount of \$6000). There are some restrictions:

- property must be principal residence
- tax payer may not be a dependent of another taxpayer
- Requires a Certificate of Compliance or verification letter
- If homeowner received interest subsidy/betterment, additional paperwork is required