

HIGHLIGHTS OF THE COMMUNITY SEPTIC MANAGEMENT PROGRAM

- **Funding for the Community Septic Management Program is provided by the Commonwealth to the Community through a “State Revolving Fund” (SRF) loan.**
- **The SRF loan is offered at an effective 0% interest rate (the technical term is “50% Grant Equivalency”) by the Commonwealth to the Community. FOXBOROUGH will reloan these funds at the rate of 2% interest to homeowners.**
- **The Town Meeting Vote authorizes Communities to borrow the SRF loan funds from the Massachusetts Water Pollution Abatement Trust.**
- **If less than the authorized SRF is borrowed (drawn down), the Community only repays the amount it has borrowed from the Commonwealth.**
- **The 2% interest charged on the betterment loans to homeowners provides “positive” cash flow and additional security to the Community.**
- **There should be NO additional taxes if the town participates in this program – the primary repayment obligation is undertaken by the homeowners receiving betterment loans.**
- **If a participating homeowner defaults on his/her payment, the Community has a municipal lien on the property. Any homeowner defaults will be charged an accrued interest rate of 14% rising to 16% if a “taking” is required (state law for “delinquent” municipal charges).**
- **The Community’s repayment to the Commonwealth begins in the second year after the program commences – a year or more after the homeowners begin making payments to the Community. This enables the Community to accumulate at least one year of payments, including 2% interest, to cover unexpected defaults.**
- **The participation of homeowners in areas identified as environmentally sensitive (to failed systems) is not mandatory. However, if the homeowner’s septic system constitutes an imminent health hazard according to the local Board of Health, the homeowner can be given priority for assistance. Homeowner participation is encouraged because correctly operating septic systems are beneficial to the environment and the low interest rate offered by the Program helps homeowners comply with Title 5.**
- **The Community has an option to set aside up to 2.5% of the loan funds to obtain consulting services to administer the Program. There is also a \$20,000 grant available for first-time Communities entering the Program to provide additional funds to assist with administrative costs.**
- **The betterment payments will be spread over a period of 10 years and is assumable by the buyer of a property.**
- **The Community can require repayment of betterment loans by the homeowner sooner than the SRF payments are required by the Commonwealth (for example: betterment loans are made to homeowners over 10 years; the Community takes its SRF loan for 20 years). This provides extra protection to the town.**
- **The Community does not have to adopt any special provision at the Town Meeting to accept the ‘Betterment Law’ Chapter 111, Section 127B ½ is a ‘General Law’ and is always available.**