

COMMUNITY SEPTIC MANAGEMENT PROGRAM

Communities can provide financial assistance to homeowners for the repair, replacement, or upgrade of failed on-site systems using Betterment Agreements.

What are Betterments and how do they work?

A Betterment is a Financial Agreement between a homeowner and the community.

The "Betterment Agreement" outlines the rights and responsibilities of the community and the homeowner for the repair, replacement or upgrade of the homeowner's failed on-site system.

The homeowner obtains estimates from contractors to perform the necessary work. Bills are submitted to and approved by the Board of Health for payment upon system completion.

Betterments appear as an additional charge on the property tax bill and are payable with the tax bill



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Massachusetts Department of Environmental Protection
Division of Municipal Services

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Community Septic Management Program



**Financial Assistance for
Homeowners with failed
septic systems**

COMMUNITY SEPTIC MANAGEMENT PROGRAM

The Community Septic Management Program (CSMP) provides zero percent interest loans to Massachusetts' communities to help them assist homeowners with failing septic systems. Jointly administered by the Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Water Pollution Abatement Trust (the Trust), the CSMP has loaned over \$46 million to 145 communities, resulting in the repair of nearly 5000 septic systems. Through an initial State appropriation of \$30 million, the Trust has created a permanent revolving fund to help Massachusetts's communities protect threatened ground and surface water resources while making it easier for homeowners to comply with the provisions of Title 5.

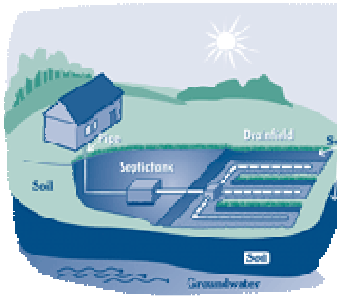
How The Program Works:

- Communities borrow money from the Trust at 0% interest for up to 20 years
- Town Meeting or City Council must approve borrowing authorization
- Local administration is typically through the Board of Health
- Communities loan funds to homeowners and place a lien on the property in the form of a betterment
- The cost of the betterment is repaid to the community over time (5-20 years)
- Proceeds from the homeowner repayments are used to repay the loan from the Trust

Program Basics

The program targets homeowners with failed systems for repair or upgrade to Title 5 standards or connection to an existing sewer line. Also eligible for funding are upgrades using alternative/innovative systems, zero pollution discharge systems (i.e. composting toilets), and shared and community systems.

The loan is offered to communities at 0% interest; the community re-loans money to homeowners at 2% or 5% interest through betterments. The interest charged by the community can be used to help defray administrative costs of the program.



Any homeowner in good tax standing with their community is eligible for a betterment.

The program does not raise taxes. Primary loan repayments from the community to the Trust are paid by the homeowners obtaining betterments.

Betterments can also be obtained for second homes, vacation homes or rental properties, and condominiums through the property owner on the tax bill.

The program does **not** fund extensions of a public sewer system, portions of a system upgrade required to comply with local Board of Health regulations more stringent than Title 5, the upgrade of a system solely to accommodate expansion of a home, or for septic repairs on commercial properties.

Other Financial Assistance Available

MassHousing Bank Loan Program:

This program offers sliding scale loans (0%, 3% or 5% interest) to eligible homeowners with failed systems who cannot obtain betterments through their communities. For a more detailed description of the program, please see the MassHousing web site at: https://www.masshousing.com/portal/server.pt/gateway/PTARGS_0_2_986_0_0_18/SepticRepairLoanBrochure.pdf

Septic Tax Credit

Homeowners that repair or replace failed septic systems (including those using CSMP loans) may be eligible for a tax credit on their state tax return. The credit is equal to 40% of the actual costs of repair with a maximum credit of \$6,000. Schedule SC, which fully describes the program may be found at http://www.mass.gov/Ador/docs/dor/Forms/IncTax07/addls/sch_sc.pdf

To obtain additional implementation information, please contact:

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