



Town of Barnstable Sewer Connection Loan Program (SCLP) Summary

Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) provides funds for this program. If CDBG funds are no longer available, the Sewer Connection Loan Program (SCLP) funds are also no longer available.

Sewer Connection Loan Program Eligibility Requirements

1. Households or individuals must be income eligible at time of application (*at or below 80% of the Area Median Income for Barnstable Town MA MSA as defined by HUD*).
2. Property being connected to sewer must be owned by the Applicant and be the Applicant's primary residence.
3. Household assets must be below \$100,000 and property value less than \$400,000.
4. This property owner must be a U.S. Citizen or demonstrate Eligible Immigration Status

Loan Program Provisions.

1. This loan program only provides funds for costs associated with connecting to the Town sewer.
2. Although this is considered a loan, monthly payments are not required and no interest is charged as long Applicant owns the property, stays up to date with tax and insurance payments and uses the property as a primary residence
3. A mortgage will be recorded against the property at the Barnstable Registry of Deeds.
4. Property owner shall name the Town of Barnstable in the Homeowner's Insurance Policy until the loan is repaid.
5. Property owner shall promptly pay all applicable municipal taxes on the property.
6. Interest in the amount of 14% will be charged on the loan if the property owner fails to:
 - a. Promptly pay municipal taxes
 - b. Maintain the Town's name on the Homeowner's Policy
 - c. Fail to notify the Town and obtain written approval to refinance the property or
 - d. Fails to repay the loan upon sale or transfer of the property.

Repayment Provisions

The general policy for refinancing or placing additional mortgages on the property is as follows:

1. Before refinancing or placing additional mortgages, including home equity loans, on the property the owner is required to notify the Town, through the Growth Management Department, in writing.
2. The Town, through the Growth Management Department, may then provide written permission for the refinance or mortgage. This permission is necessary to continue with the refinance or new mortgage.
3. Repayment of the Sewer Connection Loan is not required at time of refinance if
 - a. the refinance secures a better interest rate,
 - b. lower payments,
 - c. does not include borrowing additional funds over the existing home mortgage(s)
4. The Sewer Connection Loan repayment is required in full if refinancing or additional mortgages result in increased financial obligations (dollar amount) recorded against the property. This repayment must take place at the time of refinance or additional mortgage for the property.

For More Information

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