

## TILE DRAIN LOAN POLICY

### TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

**All landowners who anticipate doing subsurface drainage work and who wish to make use of funds available through the Tile Drainage Act must make application at the Township office. The application must be approved by a resolution of Council prior to commencement of any construction. An inspection must also be arranged during the construction.**

**Failure to notify the Township may result in the denial of the application and/or the loan.**

#### **Expiry**

**The tile drainage project must be completed and invoices submitted to the Township for processing, within one year of the date that the application was approved by Council.**

#### **TILE LOAN PROGRAM**

LOAN DETAILS: The *Tile Drainage Act* allows municipalities to “sell” debentures to the Province for funding private tile drainage projects. A municipality may only offer to sell one debenture per month to the Province, and this debenture must be dated for the first of the month and must include all tile loans received for that month. The term of the loan is 10 years and the repayment is due annually. The interest rate for the loans issued under this Program will be at 6%, fixed for the 10-year term of the loan. Interest is compounded annually, and the loan can be paid at any time without penalty.

LOAN LIMIT: A Ministry policy limits the amount of loan available to a farmer each year. The policy reads as follows: “*The sum of all loans issued in any fiscal year, to an individual, as an individual, or in his role in a partnership or corporation shall not exceed \$50,000*”. Therefore, farmers may obtain a loan for the lesser of: (a) amount applied for by the farmer; (b) 75% of the value of the tile drainage work performed; or (c) \$50,000.