



# Rehabilitation Loan Program

**NCSHA Best of HFAs: Homeownership**  
**October 15, 2018**

# Our Mission



Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

# Preserve Existing Housing Stock

## Pipeline Programs

- Fix Up Loan Program
- Community Fix Up Loan Program
- **Rehab Loan Program**

## Competitive RFP

- Impact Fund



# Program History

- Created in 1971 by Minnesota Legislature
- HOME funds to State Appropriations & Agency Resources
- \$9,494,000 funds for 2018
- In 2017, 260 loans purchased, average loan amount of \$25,542
- In 2018, major program changes implemented

# Rehabilitation Loan Program

Financing to low-income homeowners needing to rehabilitate their existing home for:

- Safety
- Livability
- Energy efficiency



# Emergency & Accessibility Loan Program

- Sub-category of funds under the Rehabilitation Loan Program
- Borrowers can use the funds to address:
  - Structural failures
  - Deficiencies that result from hazards beyond the borrower's control
  - Accessibility improvements

# Loan Overview

- Interest-free, forgivable, deferred loan
- 10- and 15-year deferred loan terms depending on property type
- \$27,000 maximum loan amount
- \$15,000 maximum for Emergency & Accessibility Loans



# Eligible Property Types



- Single family detached
- Duplex
- PUD
- Condominium
- Townhome
- Certain Manufactured homes

# Income Limits

Household Size	Income Limits
1 Person	\$19,000
2 Persons	\$21,700
3 Persons	\$24,400
4 Persons	\$27,100
5 Persons	\$29,300
6 Persons	\$31,500
7 Persons	\$33,700
8 Persons	\$35,800

# Additional Requirements

- Assets may not exceed \$25,000
- May receive a loan one time in a five-year period
- Current on all mortgage payments
- Current on real estate taxes
- Hazard insurance in effect **on the date of the mortgage**
- Must have applied for weatherization

# Improvements

## ELIGIBLE

- Permanent, general improvements
- Directly affects safety, livability, or energy efficiency of the home
- May only address deficiencies identified through inspection, Lead-Based Paint Risk Assessment, Radon Test

## INELIGIBLE

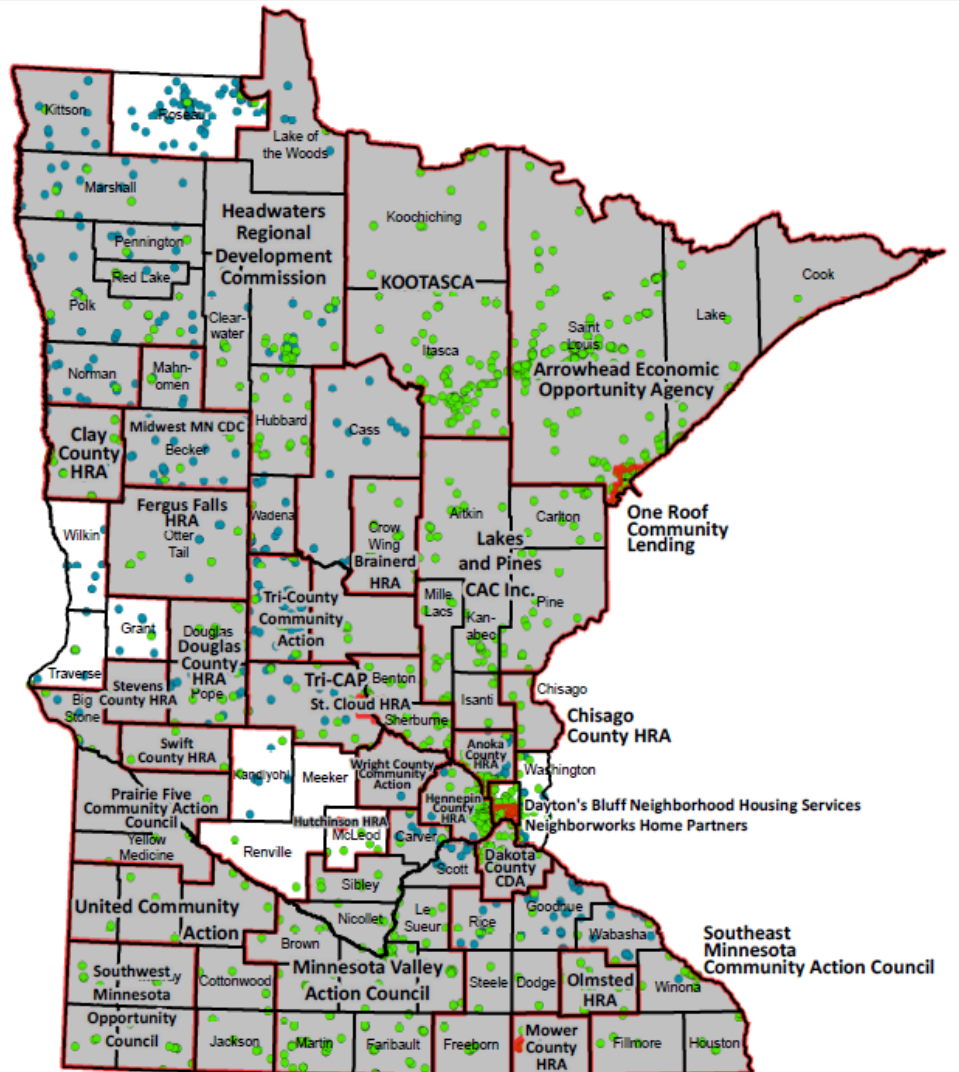
- “Luxury” improvements
- Construction/reconstruction of garages
- Free standing appliances
- Public improvement assessments
- Improvements already in process

# Lender's Role

- Lenders are compensated for each loan purchased by Minnesota Housing
- Loans are submitted to Minnesota Housing for borrower and property review



Rehab Loans by Past and Present Administrators



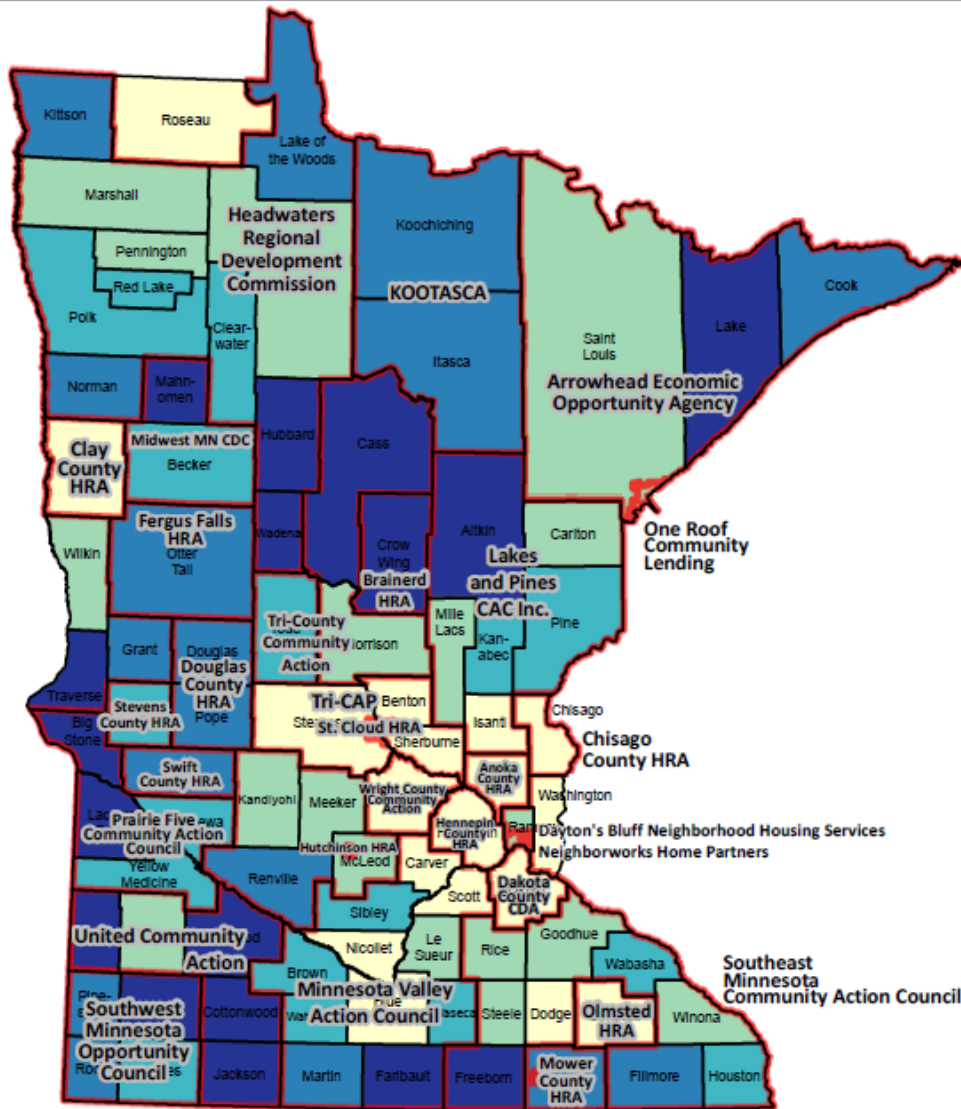
- Loans by Current Administrator (FFY11-FFY17)
- Loans by Organizations No Longer Administrators (9/2001 - Present)
- Current Administrator Coverage Area



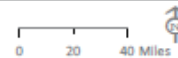
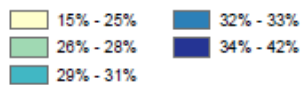
Source: Minnesota Housing Rehab Loan Program Staff - November 1, 2017.



Share of Owner Occupied Households Ages 65+ by County



Share of Owner Occupied HH Ages 65+



Source: Minnesota Housing analysis of 2011-2015 American Community Survey Data. November 1, 2017.

# Who We Serve

- Median Household Income - \$14,286
- Who we serve
  - Families with children 16.9%
  - Seniors 38.1%
  - With a disabled occupant 33.8%





# For More Information

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