

Minnesota Housing Finance Agency (MHFA)

Fix Up Loans

The Minnesota Housing Finance Agency is partnering with Local Banks to provide affordable loans via the ***Fix-up Fund*** for secured and unsecured loans. Offering affordable, fixed interest rates. **You can hire a contractor or do the work yourself!**

Longer repayment terms mean lower monthly payments.

1. Unsecured Loan – with NO equity requirement – borrow up to \$15,000
2. Secured Loan – Secured with a mortgage – borrow up to \$50,000

Secured loans can be used for a variety of home repairs, remodeling OR energy saving improvements. You can receive a reduced rate when the loan is exclusively used for basic energy-saving or accessibility improvements. Single family, duplexes, triplexes and four-plexes are all eligible!

To be eligible, you must:

- Not exceed the maximum household income limit of **\$96,500**
- Meet credit requirements (score of 620 minimum for secured; score of 680 minimum for unsecured)
- Own and occupy the property

Some examples of improvements you could make

- Furnace or Boiler
- Central Air Conditioning
- Windows
- Doors
- Insulation
- Water Heater
- Siding
- Roofing
- Septic System
- Mold Mitigation
- Basic Garage, if none exists

Contact Local Banks:

United Prairie Bank	451-6300
Wells Federal	444-0010

Semcac – Rushford office

Community Fix-Up Fund Loan Program - Contact: Vonda Budde 507-864-8241

The Community Fix Up Initiative has loans available for improving or preserving your home. Semcac housing staff administers the funds. The minimum loan amount that can be borrowed is \$2,000 and the maximum is \$15,000.

Rehab Loan Program - Contact: Cindy Vitse | 507-864-8207

This Minnesota Housing Finance Agency loan program helps low-income homeowners make their homes more livable, accessible, and energy efficient. Eligible improvements include plumbing, electrical wiring, roofing, heating, accessibility improvements, and remedy of any defect preventing the structure from meeting code requirements. This loan places a 15-year mortgage on the property and is forgivable after 15 years only if it has remained the owner's principal place of residence. For mobile homes in a mobile home park, the term of the loan is 10 years.

- 80% of Area Median Income - Low Income Homeowner
- 15 Year Deferred Loan – Homeowner must remain in home for term of loan/owner's principle place of residence/ forgiven after loan term.
- Plumbing, electrical, roofing, heating, accessibility improvements and remedy of any defects preventing the structure from meeting code requirements.

Weatherization

The Weatherization Assistance Program is a federally funded program that provides energy conservation home improvements to reduce energy consumption costs. Each home is inspected before and after work is done in order to ensure that homes are more energy efficient upon project completion. Improvements may include exterior wall and attic insulation, air infiltration and bypass sealing, and the testing, repair or replacement of the home's mechanical systems to ensure efficiency and safety.

Homeowners and renters who apply and are eligible for the Energy Assistance Program are automatically screened for participation in the Weatherization Assistance Program. Priority is given to households with at least one senior citizen, individual with a disability or child, or to households with the highest heating costs.

The Weatherization Assistance Program also provides the following:

- Education to consumers regarding home energy efficiency and safety.
- Energy audits to evaluate home energy usage.
- Conservation Improvement Programs in collaboration with local utilities and fuel suppliers.

USDA Rural Development – Intake office: Austin 507-437-8247, Ext 4

Rural Repair and Rehabilitation Loans and Grants

Purpose: The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards.

Eligibility: To obtain a loan, homeowner-occupants must be unable to obtain affordable credit elsewhere and must have very low incomes, defined as below 50 percent of the area median income. They must need to make repairs and improvements to make the dwelling more safe and sanitary or to remove health and safety hazards. Grants are only available to homeowners who are 62 years old or older and cannot repay a Section 504 loan. For income and property eligibility contact USDA Rural Development at the above listed number.

Terms: Loans of up to \$20,000 and grants of up to \$7,500 are available. Loans are for up to 20 years at 1% interest. A real estate mortgage and full title services are required for loans of \$7,500 or more. Grants may be recaptured if the property is sold in less than 3 years. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A grant/loan combination is made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in assistance.

Standards: Repaired properties do not need to meet other HCFP code requirements, but the installation of water and waste systems and related fixtures must meet local health department requirements. Water supply and sewage disposal systems should normally meet HCFP requirements. Not all the health and safety hazards in a home must be removed with Section 504 funds, provided that major health and safety hazards are removed. All work must meet local codes and standards.

Overview:

- Unable to obtain affordable credit elsewhere
- 50% of Area Median Income – very low income households
- Loans up to \$20,000 at 1% for up to 20 years. Grants up to \$7500. Loans and grants can be combined. Grants only available to homeowners age 62 or older.
- Health and safety hazards – plumbing, sewer and septic, electrical, siding roofing, windows, accessibility.