

Home Improvement Programs

Lender Compensation

Consult the Fix Up Program Procedural Manual for allowable charges to borrower and for processing fees paid to lender by Minnesota Housing.

Lender Resources (available on www.mnhousing.gov)

- Lender training sessions
- Fix Up Loan documents and guides:
 - Procedural Manual
 - Credit Application, Note, Homeowner Labor Agreement, Assignment of Mortgage, Loan Transmittal
 - Loan Process Summary
 - Features and Program Summary

Community Fix Up Loan

Fix Up lenders and community partners form partnerships to address specific community needs by offering Fix Up loans with a leverage, such as:

- Interest rate write-down “discount loans”
- Matching funds
- Rehab advisory services, energy audits, translation services

Upon approval of a Community Fix Up loan initiative by Minnesota Housing, lenders will be able to access an interest rate slightly lower than Fix Up loans.

This reference guide does not contain all the information needed to originate loans for sale to Minnesota Housing. See the Fix Up Program Procedural Manual for complete information.



Fix Up *Home improvement loans*

Program Reference Guide

for Lenders and Housing Professionals



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Fix Up *Home improvement loans from Minnesota Housing*

Minnesota Housing purchases qualifying Fix Up loans from approved lending partners throughout the state.

Features and Benefits

- Longer repayment term than traditional loan products
- Affordable fixed interest rate for the full loan term
- Great option for unsecured loans
- Higher loan-to-value ratio on secured loans than traditional loan products
- Lower interest rate for energy conservation and accessibility improvements

Borrower Eligibility

- Property to be improved must be owner-occupied
- Maximum gross annual household income of \$99,500, subject to change annually
- No household income limit for Secured Energy/Accessibility Loan and Unsecured Energy Loan
- Meet minimum credit scores and credit eligibility guidelines
- Provide detailed contractor bids or materials estimates for proposed work

Property Eligibility

- Single family home
- Duplex, triplex, fourplex (borrower must occupy one unit)
- Condo or townhome (excluding common area)
- Manufactured home on permanent foundation with utilities in place and financed and taxed as real property

Ineligible examples: personal property mobile homes, properties with more than 49% exclusive business use, and uninhabitable or incomplete homes

Eligible Repairs, Remodeling and Improvements

Proposed improvements must be documented with detailed bids and estimates. Homeowners may hire a contractor, or complete part or all work themselves by entering into a Homeowner Labor Agreement.

Eligible projects include:

- Decks and porches
- Remodel bathroom or kitchen
- Add bathroom or finish basement
- Furnace or boiler and central air conditioning¹
- Windows¹ and doors
- Insulation, attic air sealing¹
- Water heater¹
- Siding and roofing
- Septic system upgrades
- Mold and radon mitigation
- Accessibility improvements¹
- Basic garage, if none exists

¹Choose Energy Star windows, furnace, central air and/or water heater; insulation and air sealing; and/or basic accessibility improvements for a reduced rate.

Loan Type	Maximum Loan Amount ²	Security Type	Maximum Repayment Term	Minimum Credit Score	Income Limit
Secured	\$50,000	Secured by mortgage lien	10 to 20 years	620	\$99,500
Unsecured	\$15,000	No equity or mortgage lien required	10 years	680	\$99,500
Secured Energy	\$15,000	Secured by mortgage lien	10 to 20 years	620	No income limit
Unsecured Energy ³	\$15,000	No equity or mortgage lien required	10 years	680	No income limit
Secured Accessibility	\$15,000	Secured by mortgage lien	10 to 20 years	620	No income limit

No prepayment penalty.

Interest rates

Minnesota Housing offers affordable fixed interest rates for our loan programs. Current interest rates can be found at www.mnhousing.gov and are subject to change.

Equity Calculation for Secured Loans

Lenders may establish an underwriting guideline for equity that is up to 110% of the after-improved value of the property. After-improved value means current property value⁴ plus 50% of the proposed improvements cost.

²Combined balances of existing Fix Up secured and unsecured loans, plus any new loan proceeds, must not exceed \$50,000. Combined balances of existing Fix Up unsecured loans, plus any new unsecured loan proceeds, must not exceed \$15,000.

³This project was made possible by a grant from the U.S. Department of Energy and the Minnesota Department of Commerce through the American Recovery and Reinvestment Act of 2009 (ARRA).

⁴For eligible documentation to establish current property value, see Section 3.04 of Fix Up Program Procedural Manual.