

September 29, 2011

Important Rehabilitation Loan Program (RLP) Changes

Funding Source Change

As part of the development of the Affordable Housing Plan (AHP) for the 2012 program year, Minnesota Housing received stakeholder feedback, examined programs and evaluated the effectiveness of current systems. As a result, Minnesota Housing identified the need to streamline the Rehabilitation Loan Program and will no longer use federal HOME Investment Partnerships Program (HOME) funds for the RLP. As of November 1, 2011, both the RLP and the Emergency Loan Program (ELP) will be funded through state appropriations (pending final Board approval on October 27, 2011).

Participation Agreements for RLP and ELP

Minnesota Housing will be making recommendations for RLP and ELP participation to our Board on October 27, 2011 based on the RFQ applications received by the July 7, 2011 deadline and will begin these programs on November 1, 2011. Participation Agreements will be offered shortly after the Minnesota Housing Board approval.

Additionally, a new rolling application process will be offered in order to allow other lenders to apply for program participation. The application as well as the new RLP manual and forms will be available on the Minnesota Housing website on or around the expected start date of November 1, 2011.

Lenders who have been participating in the HOME-funded RLP under the current Participation Agreement - which has been valid for past two years (covering the period between October 1, 2009 and September 30, 2011) can still commit an activity by way of a formal loan commitment or by way of an environmental review approval **before 5:00 p.m. on September 30, 2011**. Commitments made prior to this date remain the responsibility of the lender under the conditions of the program, and Minnesota Housing will honor commitments for these loans when program requirements are met.

After September 30, until the Minnesota Housing Board approves the AHP and lender selections as outlined above, these programs will not be offered. Therefore, commitments for each of these programs will not be accepted during the month of October.

For more than 30 years, Minnesota Housing has offered the RLP, which provides deferred loan financing to low-income homeowners needing to rehabilitate their existing residential housing for the purpose of improving its safety, livability or energy efficiency. Minnesota Housing values and appreciates the lender network that delivers these programs and believes the programs changes listed above will make the program more effective and easier to administer.

Lending Partner Contact Information

Updates and information regarding RLP and ELP are sent electronically through the Minnesota Housing eNews system. If you have individuals in your organization who should be receiving this information, please send their first name, last name and email address to Laurie Kramka at laurie.kramka@state.mn.us.

Questions?

Single Family Division Help Desk
651.296.8215 or 800.710.8871
7:30 a.m. - 5:00 p.m. (business days)