

November 28, 2011

## Simplified Process for Signature Requirements and Eligibility Income for the Fix-up Fund

Minnesota Housing has reevaluated Administrative Rules that govern the Fix-up Fund, resulting in several simplified processes. **Effective immediately, the following changes will apply to Fix-up Fund and Community Fix-up Fund loans:**

Topic	New Process	Old Process
Eligibility Income	<p>Gross annual income of all residents of the household <i>who have an ownership interest</i>, as follows:</p> <ul style="list-style-type: none"> <li>• Borrower</li> <li>• Borrower's spouse</li> <li>• Any other resident with ownership interest</li> </ul>	Gross annual income of all residents of the household, age 18 and over
Signature Requirements	<p>Credit Application and Note signed by Borrower and any household resident <i>who has an ownership interest, if that resident's income and credit history are being relied upon</i> for repayment of the loan [qualifying income]</p> <p>(No change: All property owners sign the Mortgage.)</p>	<p>Credit Application and Note signed by all household residents who have income</p> <p>If the resident doesn't have ownership interest, they sign the documents as "Guarantor" rather than "Borrower"</p> <p>All property owners sign the mortgage</p>
Contractor Warranty	<p>Contractor Warranty form deleted.</p> <p>Minnesota Housing will rely on the home improvement warranties contained in Minnesota Statute (Chapter 327A.) as the agency-approved warranty of construction and materials.</p>	<p>Use of Contractor Warranty form.</p> <p>Note: Prior to 1982, no statutory warranty protection was available to consumers for improvement projects, so Minnesota Housing developed the <i>Contractor Warranty form</i> to provide consumer protections not generally available in the home improvement industry. With a statutory warranty in place, a separate warranty is no longer necessary.</p>

## Updated Forms and Procedural Manual

The updated Credit Application, Income Eligibility Calculation Worksheet and Loan Transmittal, along with the updated procedural manual, will be posted to the [website](#) by November 29. Please ensure that current forms are being used for all new loan closings.

## Licensed Contractors

The borrower's Certifications on the Fix-up Fund Credit Application will continue to include a requirement that:

*//We certify that work will comply with all applicable building or housing code regulations and ordinances, and all necessary permits and licenses shall be obtained.*

To assist homeowners with complying with this requirement, refer them to the *Who needs a license?* information on the [Minnesota Department of Labor & Industry website](#). Note that there are very limited exemptions from the licensing requirement.

## Questions?

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

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