



FOR IMMEDIATE RELEASE
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MINNESOTA HOUSING EXPANDS USES FOR QUICK START FLOOD RELIEF FUNDS
Eligibility now includes new home location, mobile home replacement, and single-family rental

(Saint Paul, MN) – Minnesota Housing announced today that it will expand eligibility for its Quick Start Disaster Recovery Program to include replacement homes in a new location, mobile homes, and single-family rentals for homeowners affected by the August flooding in southeastern Minnesota. The Quick Start program already covers rehabilitation or reconstruction of a home at the same location as the former residence.

“Expanding the uses for the Quick Start funding will enable more residents to receive assistance that addresses long-term housing needs,” said Minnesota Housing Commissioner Tim Marx. “We have worked closely with our local partners to meet our goal of quickly getting assistance to homeowners and have augmented the Quick Start program in response to the community needs.”

Owners will be eligible for up to \$23,000 in state assistance for a forgivable, no-interest loan. Income limits are waived for the Quick Start flood relief housing program.

The Quick Start state assistance is intended to address damage caused by the flooding or provide funding for a comparable replacement after a homeowner has used all insurance proceeds, FEMA dollars and SBA dollars that are available.

Owners who have completed their FEMA and SBA paperwork can submit Quick Start applications to local administrators and immediately receive conditional commitments of up to \$23,000 from Minnesota Housing to repair or replace damaged homes.

Minnesota Housing has committed more than \$3.6 million in Quick Start loans for 200 homeowners affected by the disaster. More than 100 loan applications are in the commitment process.

Minnesota Housing will continue to work with Semcac, Olmsted County HRA and Three Rivers Community Action to administer Quick Start. These organizations will work in their communities to provide homeowners additional information about the program.

Minnesota Housing is a state agency committed to finance and advance affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities. The agency invests more than \$1.6 billion in affordable housing each biennium. If ranked among commercial banks, it would be the sixth largest bank, with total agency-wide assets of \$3.3 billion as of June 30, 2007.

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Southeast Minnesota Flood 2007
Quick Start Disaster Recovery Program
Frequently Asked Questions
Updated December 5, 2007

1. What is the Homeowner Quick Start Disaster Recovery Program? The special legislative session on September 11 appropriated \$18 million to Minnesota Housing for disaster relief for housing purposes in communities affected by the August 2007 flooding in Southeastern Minnesota under the Presidential Declaration of Major Disaster, DR-1717.

The Quick Start Disaster Recovery Program (Quick Start) will utilize these resources to supplement federal and other financial assistance for owners who have sustained damage to their residences or single-family rental property as a result of this flooding.

2. How much assistance will this program provide? Quick Start is a forgivable, no-interest loan from a minimum of \$1,000 to a maximum of \$23,000 per house.

3. How may I use the loan? The Quick Start loan may be used to:

- make capital improvements to rehabilitate the flood-damaged home;
- replace an owner's home on the site of the destroyed home;
- replace an owner's home with the construction or purchase of a new home within the DR-1717 area;
- rehabilitate or replace a mobile home; or
- rehabilitate a single-family rental property (1-4 units) damaged as a result of the disaster.

Up to this point, Quick Start has been used only to rehabilitate or rebuild a home at the damaged location.

4. What are the terms and conditions of the loan? No principal or interest payments need be made during the term of the loan. The loan will be forgiven in 10 years as long as the home is the primary residence of the borrower, with one exception for single-family rental properties. The loan principal must be repaid only if the borrower sells the house or no longer uses it as a primary residence within the 10 year loan period. Terms and conditions are essentially the same for single family rental properties, though the rents must be affordable to the local work force for the 10 year term. The property may be sold with no repayment requirement if rents remain affordable to the local work force for the 10 year term.

5. Are there income limits for eligibility for this program? No.

6. How will my final loan amount be determined? The final amount—from \$1,000 up to \$23,000—will be the difference between (1) the amount of any insurance proceeds and money received from FEMA grant and the SBA loan and (2) the amount necessary to repair or replace the home. Quick Start is intended to fill this gap up to the maximum of \$23,000. In some cases, there may be no gap and therefore no Quick Start loan. Borrowers must accept the maximum SBA loan before Quick Start may be used.

7. What is the process for obtaining a loan?

- **First**, make sure you have applied to FEMA and SBA for assistance.
- **Second**, apply for a Quick Start loan, even if you have been declined a loan from SBA, as you may still be eligible for Quick Start. Bring as much information as you can when you apply, including your SBA loan

application and any repair cost estimates you have. But apply even if you don't have all this information so that you can start the process. If you are determined eligible for Quick Start, you will receive a "conditional" commitment. The commitment will be conditional because a number of things need to occur before funds can be disbursed such as completion of the SBA process and final cost estimates. **It is possible that the final loan could be less than the conditional commitment;** it is also possible that the final loan amount could be more than the conditional commitment.

- **Third**, follow the instructions provided when you apply for a Quick Start loan.
- **Fourth**, if the SBA loan amount is based on estimates that differ from a borrower's actual bids or costs, the borrower should communicate the new amount with SBA before accepting a Quick Start loan.

8. Is there a deadline to apply for funding? YES! The deadline to apply for the Quick Start loans is no later than **January 14, 2008** (60 days after the current FEMA and SBA application deadline).

9. What if I'm told that I am not eligible? You still may be eligible for other forms of housing or public assistance. The organization accepting applications will be able to provide additional information.

10. What are the eligible properties? In order to qualify as an eligible property, the residence must be a residential property, which includes: a single family detached home; a duplex; triplex; fourplex; twin home; an eligible unit in a Planned Unit Development (PUD); condominium; town home; manufactured home on a permanent foundation; or a manufactured home in a manufactured home park.

11. Where do I apply? Apply based on the county in which you live:

Olmsted County

Olmsted County Housing and Redevelopment Authority
(507) 328-7154
2122 Campus Drive SE, Suite 100
Rochester, MN 55904-4474

Wabasha County

Three Rivers Community Action Agency
(800) 277-8418
1414 North Star Drive
Zumbrota, MN 55992

In the following five counties, please contact a Semcac representative at the locations listed:

Dodge County

(507) 374-6401
104 1st Street NW, Dodge Center
Contact: Marty Pogalz

Houston County

(507) 725-3677
138 East Main, Caledonia
Contacts: Jan Palen, Iyla Mulvenna

Fillmore County

(507) 474-4890 (# to schedule appt.)
St. Joseph's Education Center
111 N. Mill Street, Rushford
Or
(507) 765-2761
108 Fillmore Place, Preston
Contact: Lynn Mensink

Steele County

(507) 451-7134
545 Dunnell Drive, Owatonna
Contact: Michele Lammi

Winona County

(507) 452-8396
165 E. 4th Street, Ste 100, Winona
Contact: Peggy Shattuck, Connie Kukowski

Applications will also be taken at Semcac's temporary Main Office in Winona:

(507) 474-4890
1756 Kramer Dr., Ste 300, Winona
Contact: Cindy Vitse, Vonda Budde, Amy Earney, Wendy Todd, Wayne Stenberg, Jennifer Hengel