



FOR IMMEDIATE RELEASE  
January 18, 2008

CONTACT: Jeanette Blankenship  
651.296.3706

## MINNESOTA HOUSING INCREASES QUICK START LOAN AMOUNT, EXTENDS DEADLINE

**Deadline for applications now March 14, 2008, maximum loan amount doubled to \$46,000.  
Additional programs announced for flood insurance reimbursement and housing assistance grants.**

(Saint Paul, MN) – Minnesota Housing announced today that it will increase the loan amount for its Quick Start Disaster Recovery Program to a maximum of \$46,000 and extend the application deadline to March 14. Minnesota Housing will also offer a flood insurance reimbursement program for SBA and Quick Start loan borrowers and provide grants for unmet housing needs to local governments and non-profits.

The Quick Start Disaster Recovery Program (Quick Start) loan maximum will increase from \$23,000 to \$46,000. The program is intended for homeowners who are unable to repair or rebuild their homes due to flood damage expenses that exceed private insurance and federal assistance. Current Quick Start borrowers should contact their local administrator to increase their loan amount if financial assistance is still needed to repair or replace their home. To accommodate the program modification, the Quick Start application deadline is extended 60 days to March 14.

“More than half of Quick Start applicants are unable to return to their homes due to catastrophic flood damage,” said Minnesota Housing Commissioner Tim Marx. “We are increasing the loan amount based on feedback from communities and our local partners who monitor unmet housing needs.”

Minnesota Housing is also developing a program to offer reimbursement for flood insurance to SBA and Quick Start loan borrowers. Reimbursement details and applications will be released after the Quick Start deadline in March.

“Flood insurance is an important investment for Minnesotans,” said Commissioner Marx. “By providing a reimbursement for borrowers of SBA loans and Quick Start loans, we hope to encourage more residents to consider flood insurance.”

Minnesota Housing will also offer grants to local governments and non-profits for flood-related housing hardships not covered by federal or state assistance. Flexible grants will be provided for housing needs such as rental assistance, foreclosure prevention or homelessness prevention.

The Quick Start state assistance is intended to supplement private insurance, FEMA and SBA assistance for homeowners with damage caused by the Southeast Minnesota flooding. The program provides forgivable, no-interest loans for home repair, new construction or a comparable replacement home, mobile homes, or single-family rental repair.

With this next phase of Quick Start and additional programs, Minnesota Housing estimates that the legislative housing appropriation will be largely committed. Minnesota Housing has committed nearly \$5.5 million in Quick Start loans for 305 homeowners affected by the disaster. More than 100 loan applications are in the commitment process. Additional commitments have been made for multi-family rental projects, capacity building, and buyouts.

Minnesota Housing will continue to work with Semcac, Olmsted County Housing and Redevelopment Authority, and Three Rivers Community Action to administer Quick Start. These organizations 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.*

###



**Southeast Minnesota Flood 2007**  
**Quick Start Disaster Recovery Program**  
**Frequently Asked Questions**  
*Updated January 18, 2008*

**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 residence 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 \$46,000 per house. This is an increase from the previous \$23,000 maximum.

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

- rehabilitate the flood-damaged home with capital improvements;
- 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.

**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 for single-family rentals 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 borrower 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 \$46,000—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 new maximum of \$46,000. 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 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; and a manufactured home in a manufactured home park.

## 8. 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 are likely eligible for Quick Start. Bring as much information as you can when you apply, including your SBA loan application and any repair cost estimates or receipts. 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 you have an SBA loan and the amount is based on estimates that differ from actual bids or costs, communicate the new amount with SBA before accepting a Quick Start loan.
- **Alternately**, if you have already received a Quick Start loan for \$23,000 but your damages exceed assistance, return to your loan administrator to update your application.

**9. What if I already have a Quick Start loan for the previous maximum amount of \$23,000 but still need assistance to repair my home?** If you already received the previous Quick Start maximum and still have home repair or replacement costs that exceed \$23,000, contact your local administrator. Bring in additional repair bids, receipts or cost estimates to update your application.

**10. What if I have a Quick Start conditional commitment for the previous maximum loan amount of \$23,000 but need more assistance?** Contact your administrator to update your application.

**11. What is the deadline to apply for funding?** The deadline to apply for Quick Start loans is no later than **March 14, 2008** (previous deadline was January 14).

**12. 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 your application will be able to provide additional information.

**13. How do I get flood insurance reimbursement?** Flood insurance reimbursement will be available in late March to borrowers of SBA or Quick Start loans. More details will be announced after the Quick Start deadline.

**14. When can I apply for the new Quick Start loan limit?** Applications for the new maximum amount will be available from your local administrator on Tuesday, January 22, 2008.

**15. Where do I apply?** Apply to your local administrator 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

### **Fillmore, Houston, Winona, Steele and Dodge**

#### **Counties:**

Semcac  
(507) 474-4890  
Temporary Main Office in Winona:  
1756 Kramer Dr., Ste 300  
Winona, MN 55987

### **Wabasha County**

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