

Program Goal

This program assists communities to address specific home improvement needs and goals by promoting partnerships between Fix Up lenders and community organizations. The partnerships provide for the origination and purchase of qualifying Community Fix Up loans that provide supplemental funds and/or other value-added incentives or services to borrowers.

How it Works

A Fix Up lender, and their community partner(s) if applicable, submit a *Proposal for Community Fix Up Initiative* to Minnesota Housing. The proposal will identify supplemental funds and/or other value-added incentives or services for borrowers. Upon approval of the proposal, lenders have access to the lower interest rate that's described below and are expected to begin the marketing and outreach activities that the initiative has developed for the target population of homeowners

Eligible Program Applicants

The Fix Up lender must provide supplemental funds and/or other value-added incentives or services to borrowers as described below or partner for such items with community organizations. Examples of organizations include nonprofits, utility companies, local governments, and housing and economic development authorities.

Program Features

Community Fix Up loans offer the same flexible product features available with Fix Up loans: longer repayment terms than traditional loan products, equity based on after-improved value, no-cost/low cost alternatives to an appraisal, and a fixed interest rate for the full loan term.

Interest Rate

Community Fix Up loans have a slightly lower interest rate than Fix Up loans.

Further, a Community Fix Up Initiative may be proposed for originating "discount" loans. The discount loan option allows lending partners to leverage outside funds to write down the borrower's interest rate. The discounted rate improves affordability of the loan payment, and it provides an incentive for homeowners to join in community improvement goals.

Other Services/Incentives

Other supplemental funding and/or value-added incentives or services that are suggested below provide outreach and marketing opportunities for Fix Up lenders and their community partners to engage homeowners in seeking funds to upgrade their houses.

Eligible Initiatives

The proposed Community Fix Up Initiative must:

1. Address and incentivize specific community rehabilitation needs that cannot be as effectively met under the statewide Fix-up program,

2. Provide or partner with community organizations (such as nonprofits, utility companies, local governments and housing and economic development authorities) to provide:
 - a. Leveraged funds in the form of discounted interest rates or matching funds; or
 - b. Other value-added incentives or services such as donated rehab advising, energy conservation rebates, or translation services.
3. Include a written plan for targeted outreach and marketing.

Funds Available

A pool of funds is available to the approved initiative for two years as long as Agency funding is available and the Fix Up lender remains in good standing with Minnesota Housing. Staff of Minnesota Housing will review Community Fix Up proposals. Those proposals that meet application requirements will be recommended to the Agency's Board of Directors for approval.

Resources

- [Proposal for Community Fix Up Initiative](#)
- [Discount Loans/Interest Rate Write Down](#)
- [Discount Factors](#)
- [Fix-up Loan Program Procedural Manual](#)

Contact

- Shannon Gerving: Shannon.Gerving@state.mn.us, 651.296.3724