

Fix-Up Loan Program

New Lender Application Process



Description

Minnesota Housing purchases eligible home improvement loans from participating lending partners. The loans are originated to low-and moderate-income Minnesota homeowners who own and occupy the property to be improved.

Participating lending partners will independently process, underwrite, close and fund each loan using normal, prudent underwriting standards; provide their own funds to the borrowers, and then sell the loan to Minnesota Housing. Lenders are paid a processing fee per loan and are reimbursed for the original principal amount of the loan.

Current Home Improvement Loan Programs

- Fix Up loans
- Community Fix Up loans (requires a supplemental application)

Lending Partner Applicant Requirements

- Banks, savings banks, mutual savings banks, savings and loan associations and credit unions organized under the laws of Minnesota or the United States; non-profit organizations licensed by the State of Minnesota and Agencies or Instrumentalities of the United States or the State.
- Provide organizational information as requested by Minnesota Housing.
- Be in compliance and good standing with all state and federal requirements that govern your organization.
- The applying organization must have the personnel, capital, expertise, and experience to underwrite and fund consumer installment loans that meet industry-accepted guidelines for normal, prudent underwriting.

Participation and Renewal Fees

There is a non-refundable participation fee of \$250 to participate in the program, and a \$250 annual renewal fee thereafter.

If a lending partner sells a minimum of 6 loans per calendar year to Minnesota Housing, the annual renewal fee of \$250 will be waived. See Section 1.09 of the Program Procedural Manual for further information.¹

Lender Compensation

Secured Loans:

- Lending partners will be paid a processing fee of \$400 for each eligible Fix Up loan purchased by Minnesota Housing.
- Additionally lending partners may charge the borrower a 1% origination fee, the actual cost of a title search, the flood certification fee and up to a \$50 document preparation fee. These costs may be financed in the loan.
- Lending partners may also charge the borrower for the actual cost of recording the mortgage and assignment of mortgage, the mortgage registration tax and actual cost of the credit report up to \$15. These costs must be paid in cash at closing.

¹ Minnesota Housing has waived the annual renewal fee until further notice.

Unsecured Loans:

- Lending partners will be paid a processing fee of \$250 for each eligible Fix-up Fund Loan purchased by Minnesota Housing.
- Additionally lending partners may:
 1. **NOT** charge a 1% origination fee
 2. Can charge a \$50 document preparation fee. This cost may be financed into the loan.
 3. Charge a \$15 credit report fee that is paid in cash at closing

Marketing

Minnesota Housing provides marketing support to lending partners in the form of consumer brochures, templates for print advertising, and scripts for radio advertising.

Minnesota Housing also provides homeowners and community partners with lists showing the location of participating lending partners and branches. This list is also provided on [Minnesota Housing's website](#).

Application Forms and Process

Minnesota Housing accepts lender applications on a continuous basis. To apply for participation in Minnesota Housing home improvement loan programs submit:

- New Lending Partner Information form
- Participation Agreement (two executed copies)
- Participation Fee

Send the packet to:

*Minnesota Housing Finance Agency
Single Family Division – Calvin Greening
400 Sibley Street, Suite 300
St. Paul, MN 55101*

Upon receipt and approval of the application, Minnesota Housing staff will provide the applicant with an executed contract and getting-started information.

For more information

- [Review Program details](#)
- [Consult the Fix Up Loans Procedural Manual](#)
- [Review Fix Up Loan Credit Application and forms](#)
- [Attend a Fix Up lender training webinar](#)

Contact us

- Calvin Greening: cal.greening@state.mn.us