

Complete this **Stand-Alone Affordability Gap Application** and the **Stand-Alone Affordability Gap Workbook** if proposing to provide stand-alone Affordability Gap assistance with Impact Fund dollars. Attach all documents listed in the *Required Documents* section of the Single Family RFP Application Instructions.

A. Project Information

Project Overview

1. Organization Name: _____
2. Project/Program Name: _____
3. Briefly describe the proposed project. If it is part of a broader project or initiative, include the name of that project or initiative in this description. (2,000 character max)

4. What criteria will the Applicant use to select homebuyers who are purchasing homes with the proposed Affordability Gap funds? (2,000 character max)

Target Area

1. What Target Area(s) will the Applicant serve? List each neighborhood, city or county to be served.

Income Limit

1. What is the [Impact Fund area median income \(AMI\)](#) to be served (up to 115% AMI)? _____% AMI
2. Minnesota Housing will prioritize projects serving lower-income households and reserves the right to reduce the AMI for projects selected for funding. If the project is not feasible with a lower AMI than proposed, please explain. (2,000 character max)

Note: Priority will be given to projects serving households at or below 80% AMI. See **Section E. Affordability Gap Funding** for more information.

B. Minnesota Housing Strategic Objectives

Minnesota Housing's [strategic objectives](#) fall into five focus areas and guide Minnesota Housing's work to ensure that affordable housing is available in communities most impacted. Review the strategic objectives in detail before answering the questions below.

Which of the Minnesota Housing [strategic objectives](#) does the proposed project help to advance? Read the sub-bullets and only check objectives that the proposed project will advance.

- Improve the Housing System
 - Focus on the people and places most impacted by housing instability (i.e. being cost-burdened, living in overcrowded or substandard housing, not having access to homeownership, etc.)
 - Create a more inclusive, equitable and just housing system
 - Make housing programs more accessible and easier to use
- Preserve and Create Housing Opportunities
 - Preserve and improve the condition and affordability of existing housing
 - Increase the development of new housing that is affordable
 - Develop green, energy-efficient, climate-resilient, sustainable housing
 - Increase access to rental assistance
 - Support and preserve manufactured homes and communities
- Make Homeownership More Accessible
 - Address homeownership barriers and reduce disparities
- Support People Needing Services
 - Prevent and end homelessness
 - Support people with disabilities to live full, independent and integrated lives in the community
 - Support older adults and create age-friendly communities
- Strengthen Communities
 - Pursue equitable community development and investment
 - Support Tribal Nations and Indigenous communities

Pick the top two objectives checked above and describe how the proposed project meets the strategic objectives. The response must address the items as described in Minnesota Housing's [strategic plan](#). (2,000 character max)

C. Community Need

1. Describe the need for Affordability Gap assistance in the Target Area(s) and how the proposal fills any gap in available resources.. (2,000 character max)

2. How does the proposal address the unique needs of diverse populations in the proposed Target Area (e.g., racial and ethnic communities, LGBTQI communities, individuals with disabilities, Veterans, family size, etc.)? (2,000 character max)

3. A Cooperatively Developed Plan (CDP) is a community supported plan developed by a local unit of government or community group that encompasses multiple affordable housing and related service initiatives in a geographically defined area.
 - a. Is the proposed project a part of a CDP? Yes No

 - b. If yes, include the specific CDP name and its geographically defined area(s).

D. Project Feasibility

Leverage and Cost Containment

1. Do leverage sources and requested Impact Fund dollars cover all funding gaps?

2. If not, explain the plan for addressing funding gaps.

Partnerships

1. Will the Applicant partner with other entities to complete the proposed project? Yes No
 - a. What is the Applicant's role in the proposed project?

 - b. List the names of each partner. Explain the partner's role with the proposed project and their experience completing similar projects.

2. Will the Applicant partner with a processing entity to implement the affordability gap/lending portion of the project? Yes No

- a. Provide the name of the Processing Entity. Attach additional sheets if necessary.

Organization Name: _____

Contact Name: _____

NMLS Number: _____

- b. Describe the role(s) and lending experience of the Applicant and/or Processing Entity.

Funds awarded under separate Impact Fund Awards—including to the Applicant, an Implementation Partner, or Processing Entity—cannot be layered in one unit.

E. Affordability Gap Funding

1. Applicant's Nationwide Mortgage Licensing System and Registry (NMLS) information. All Applicants that will originate and close loans must have an NMLS number or a Certificate of Exemption.

a. NMLS Number: _____

b. Certificate of Exemption: _____

- c. If the Applicant does not have an NMLS number or a Certificate of Exemption, will the Applicant obtain an NMLS number or Certificate of Exemption before originating and closing loans? Yes No

2. Affordability Gap funding requests will be evaluated based on the extent to which they address a gap not met by existing downpayment and closing cost assistance programs. Downpayment assistance is currently available from Minnesota Housing and other sources such as counties, cities, and federal agencies. Single Family RFP Affordability Gap funds should be used as a last resort. Homebuyers must first use existing assistance if they are eligible. For more information on existing resources, see [Minnesota Housing's website](#), the Minnesota Homeownership Center's [Affordable Loan & Program Matrix](#), and [DownPayment RESOURCE™](#).

- a. What unique issues prevent target households from accessing existing downpayment assistance resources, including Minnesota Housing's Start Up and Step Up programs, and why is there a need for additional downpayment assistance?

3. What is the program's maximum combined loan-to-value ratio? (A combined loan-to-value ratio includes the first mortgage and all subordinate liens).

4. Is the Applicant requesting affordability gap funding for, or related to, a Special Purpose Credit Program under 12 C.F.R. § 1002.8 (Reg. B)? Yes No

a. If yes, how will the Special Credit Program be used? Provide all relevant proposed program information.

b. Describe how the proposed Special Purpose Credit Program loan terms differ from Impact Fund program requirements. (2,000 character max)

c. Describe how the proposed Special Purpose Credit Program specifically advances Minnesota Housing's strategic objectives. (2,000 character max)

Note: Consideration will be given to requests to change income limits (not to exceed 115% AMI), loan terms (e.g. forgiveness timeframe), and the assignment of loans to Minnesota Housing. Except as noted specifically in the grant contract agreement, should the Applicant be selected to receive funding, the Applicant must comply with all other policies and procedures as defined in the Procedural Manual.

The Applicant must also include Special Purpose Credit Program documentation with the Activity Application.

- If the Applicant is a nonprofit entity, include a copy of the Applicant entity's Special Purpose Credit Program policy.
- If the Applicant is a for-profit entity, include a copy of the written plan.
- If the Applicant is a government agency, include documentation of express authorization allowing for the program.

NOTE: Minnesota Housing uses this information to determine if the Special Purpose Credit Program aligns with our strategic objectives. Minnesota Housing does not make a determination about whether the Special Purpose Credit Program meets federal requirements.

5. How is the Applicant requesting Affordability Gap funds? (Carefully read the Single Family RFP Application Instructions Eligible Uses section on Stand-Alone Affordability Gap before making a selection.)
 - a. Grants for homes that will be placed in a Community Land Trust
 - b. Forgivable loans

6. **Applicable to nonprofit applicants:** FHA Mortgagee Letter 2014-08 states that in order to serve buyers with FHA-insured first mortgages, the Applicant must first be approved by HUD as a nonprofit authorized to offer secondary financing and be placed on HUD's Nonprofit Organization Roster. If the Applicant is not on the HUD Nonprofit Organization Roster and is likely to work with FHA-eligible borrowers, explain why the Applicant is not on the Roster.

F. Project Fees

Administration Fee (for Affordability Gap requests)

Minnesota Housing allows an Administration Fee of \$1,000/unit to be paid from Impact Fund dollars. The Fee may not exceed the actual cost of administering Affordability Gap funds, which include household education specific to the loan or grant, lender coordination, document preparation, and other uses identified in the [Procedural Manual](#) section 6.07.

1. Is the Applicant requesting an Administration Fee with the Affordability Gap funding?
Yes No

If yes, indicate the Administration Fee in the Stand-Alone Affordability Workbook.

2. If the Applicant will provide services beyond the costs of administering Affordability Gap funds noted above, the Applicant may request an amount greater than \$1,000/unit. Detail the additional services the Applicant will provide and substantiate the request with a demonstration of associated costs. (2,000 character max)

An Administration Fee paid from Impact Fund dollars will be in the form of a grant and cannot be rolled into a deferred loan to the homebuyer.

G. Organizational Capacity

Experience

1. Over the past five years, how many affordability gap (downpayment assistance) loans has the Applicant closed? _____
2. Describe the types of lending the Applicant has completed and how they compare to the proposed project. (2,000 character max)
3. If the Applicant has not closed affordability gap loans or similar loans in the past five years, explain how the Applicant has the capacity to complete the proposed project (e.g., training, new staff, partnerships, etc.). (2,000 character max)
4. How many open stand-alone affordability gap awards does the Applicant have, and will the Applicant be able to complete those open awards without future extension requests? Applicants with few or no open stand-alone affordability gap awards will be viewed favorably.

H. Funding Priorities

Before completing this section, refer to the following information:

- Single Family RFP Application Instructions for funding priority guidance
- Minnesota Housing's **funding priority methodologies** located on the [Impact Fund webpage](#)
- Minnesota Housing's [Community Profiles for Scoring in 2025 Consolidated RFP](#) → Single Family Consolidated RFP Geographic Scoring Map

Equitable Access to Homeownership

1. Provide the number and percentage of households the Applicant has served over the past five years that meet the criteria in the grid below:

	2024	2023	2022	2021	2020
% Indigenous, Black and Households of Color					
% Households with a Person with a Disability					
Total # Households Served					

2. List the counties that the Applicant has predominately served over the past five years.
3. Describe how the proposal will support one or more of the following outcomes: "address housing disparities, build power in communities most impacted by housing challenges and disparities, pilot innovative challenges, and support inclusive communities." (2,000 character max)
4. Describe how the Applicant plans to measure the success of this outcome. (2,000 character max)

Business Entities Owned or Led by People of Color, Indigenous Individuals, and/or Women

1. Is the owner or executive director (or equivalent) of the applicant entity any of the following?
- a. Black or Person of Color Yes No
 - b. Indigenous Individual and/or Tribal Entity Yes No
 - c. Woman Yes No

Homeownership or Financial Education and Counseling

1. Will the Applicant require homebuyers to complete pre-purchase homeownership, financial education or counseling from a Qualified Provider? Yes No

A Qualified Provider is a [HUD-approved housing counseling agency](#), a member of the Minnesota Homeownership Center’s [Homeownership Advisors Network](#), a provider of [Framework](#), Pathways to Homeownership, or a Minnesota Housing [Homeownership Capacity Provider](#).

Long-Term Affordability

1. Will the Applicant impose restrictions (e.g., deed restrictions, resale restrictions, etc.) for three or more years to enhance long term affordability? Yes No
2. Describe how will the Applicant enforce long term affordability.

I. Required Documents

Applicants must submit the required documents identified in the Single Family RFP Application Instructions. If applicants are unable to provide a required document, include a description as to why.

Label documents with this file name format: "Organization_Activity Type_Document Name. For example, organization "ABC Community Development" should save this document as "ABCCD_AG_Activity_Application."