



Minnesota Housing

Increase Your Business With the
Fix Up Loans



Today's Objectives



1. What is Minnesota Housing
2. Economic overview
3. Generate more business with Minnesota Housing Programs
 1. Secured loans
 2. Unsecured loans
4. Resources to help promote you and Minnesota Housing

Minnesota Housing is...



- State Housing Finance Agency
 - » Established as a state agency in 1971
- Has Invested more than \$8.7 billion and assisted more than 750,000 households since its establishment

Funding the Fix Up Loans

- A self-supporting program utilizing taxable bonds and loan repayments
- Minnesota Housing manages the funds to
 - » Provide affordable, fixed interest rate
 - » Cover program costs
 - » Fairly compensate lenders



Our Mission:

Minnesota Housing finances affordable housing for low- and moderate-income households while fostering strong communities.



Our Strategic Priorities:

Promote and support successful homeownership

Preserve federally-subsidized rental housing

*Address specific and critical needs in
rental housing markets*

Prevent and end homelessness

Prevent foreclosures and support community recovery

Who is Minnesota Housing?



Role of Minnesota Housing



Provide Financing Options

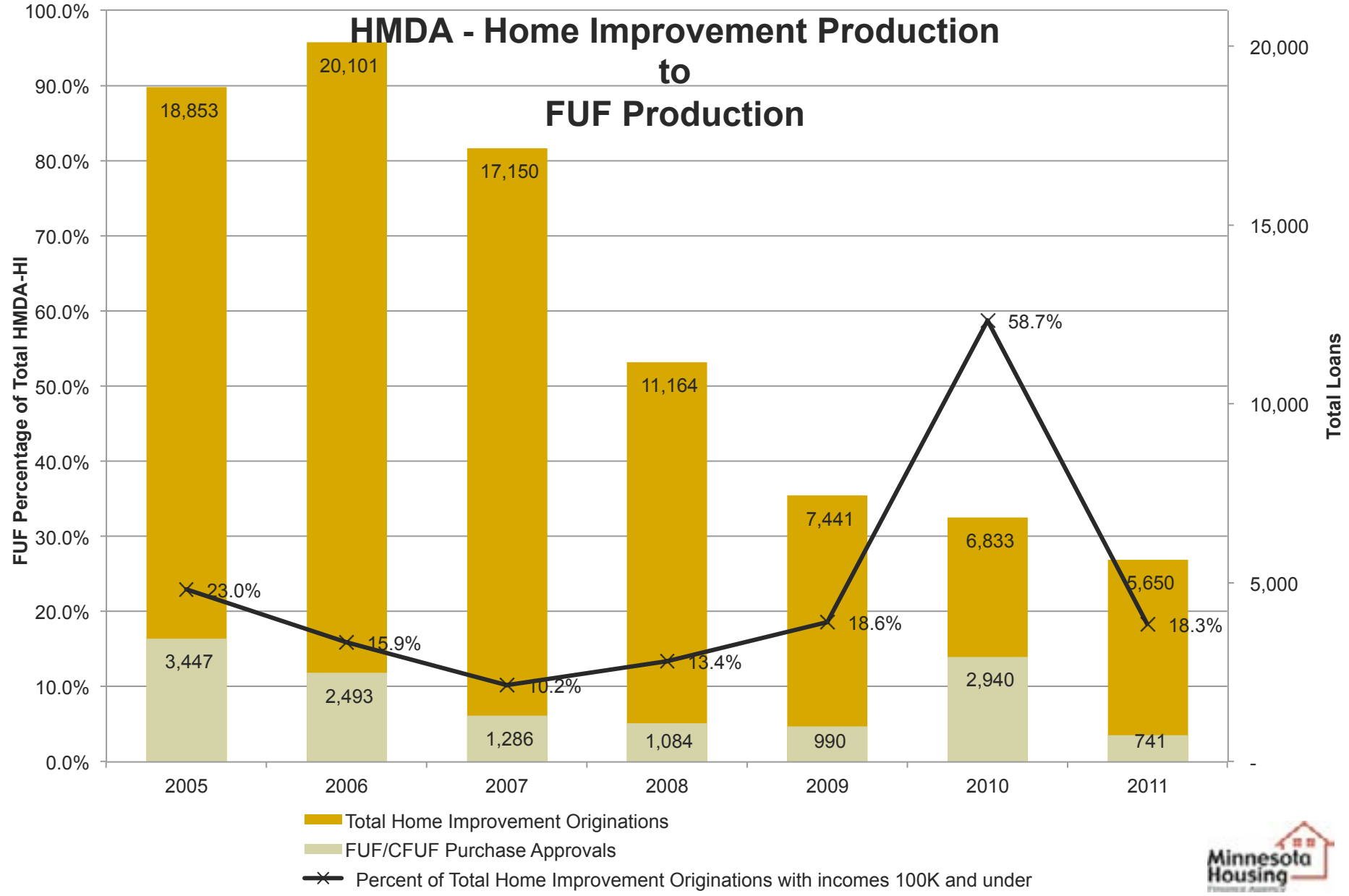
- Single Family programs
 - » Home Purchase Loans
 - » Downpayment & Closing Cost Loans
 - » Home Improvement Loans

Economic Outlook

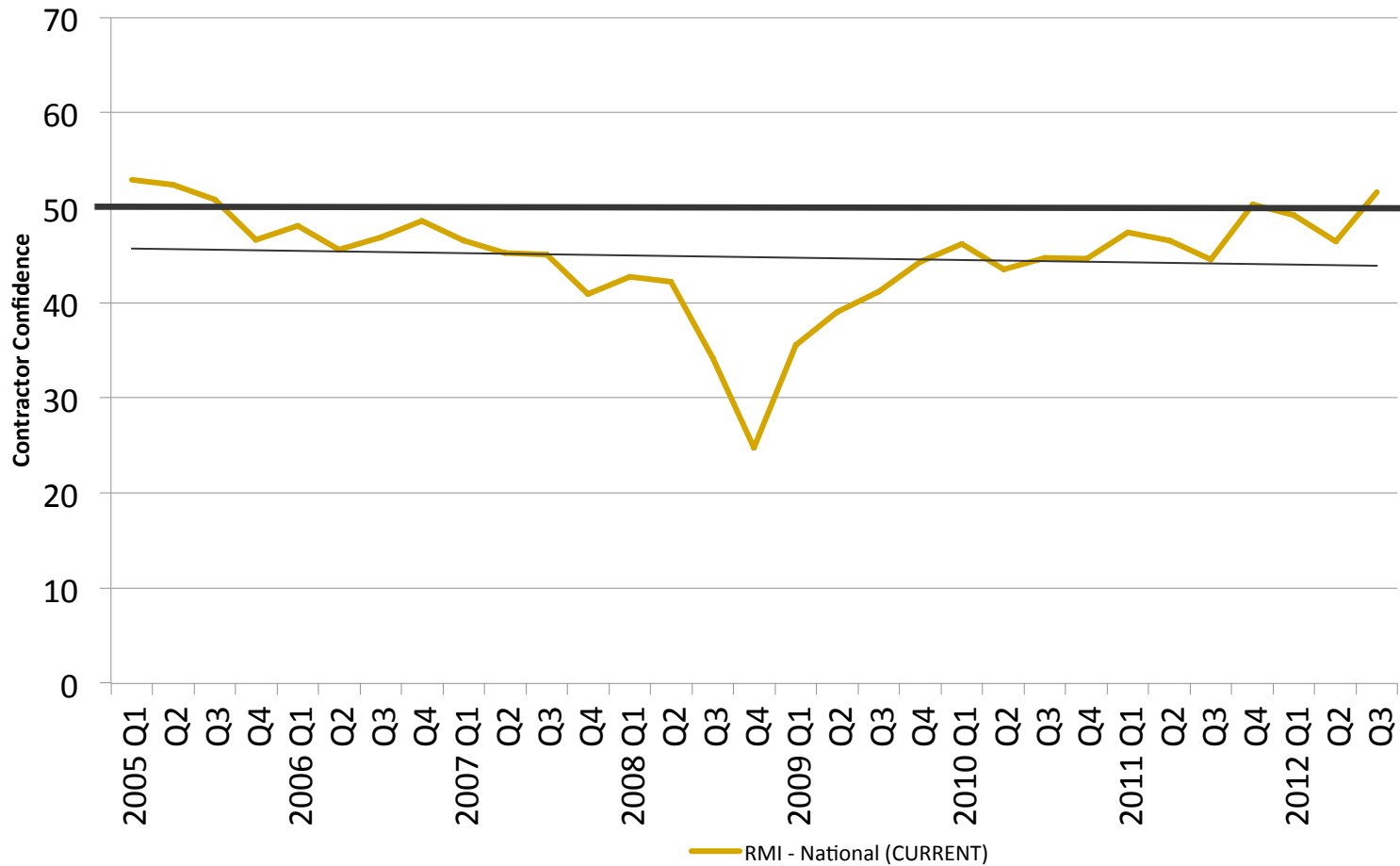


1. Historical look at the Home Improvement lending market
2. Contractors Confidence Trends
3. Percentage of Green Projects

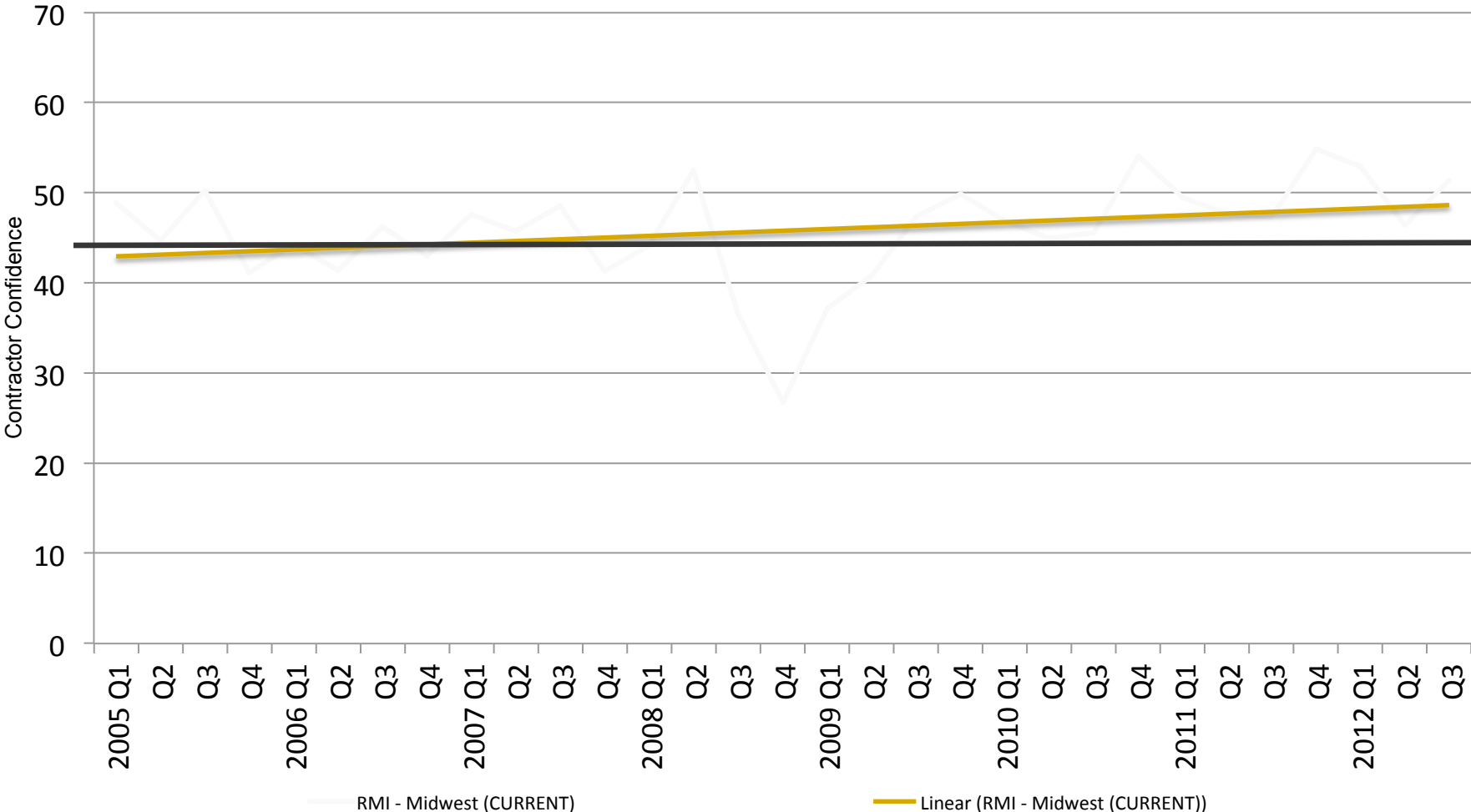
HMDA - Home Improvement Production to FUF Production



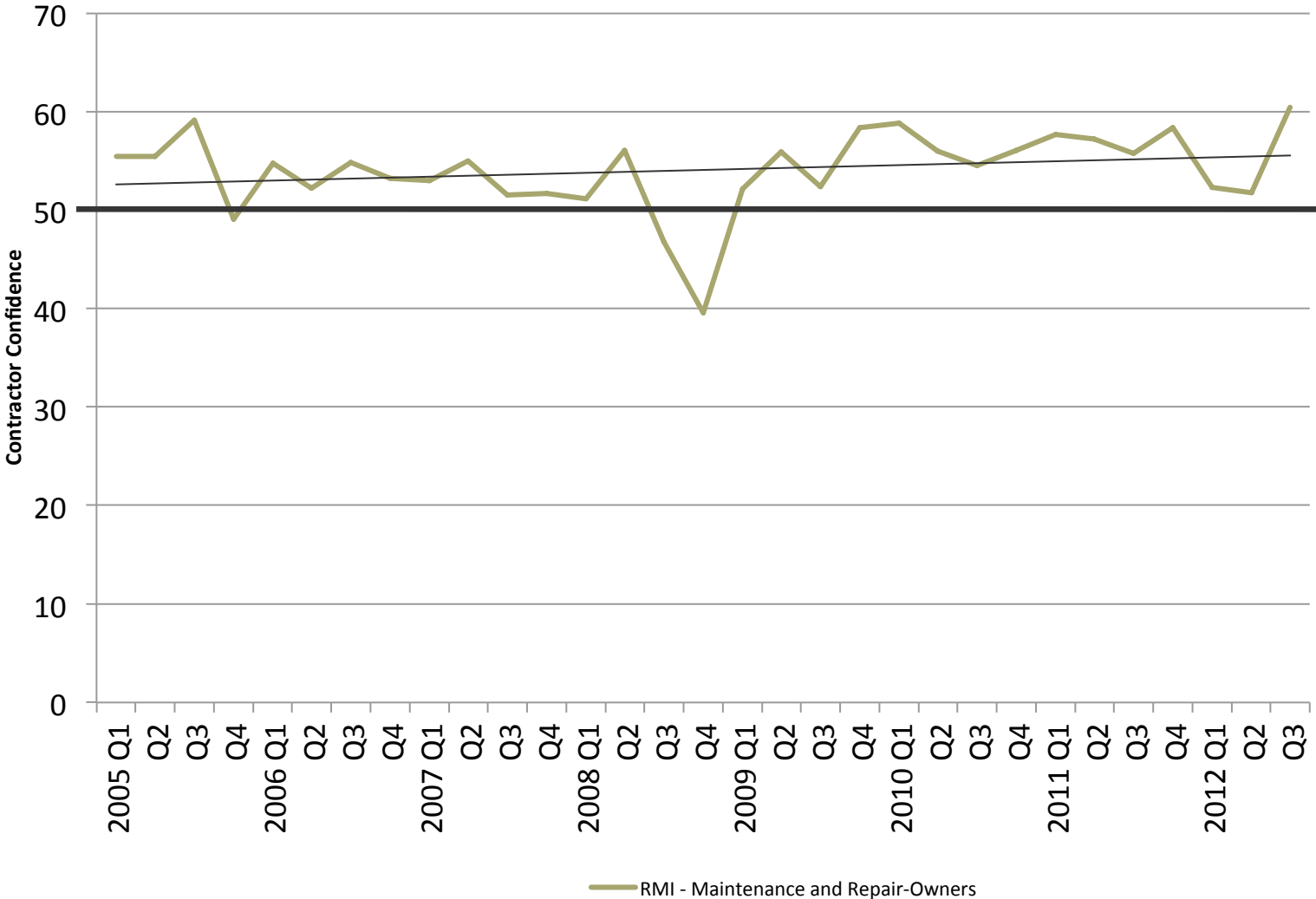
NAHB Remodeling Market Index - National Trend



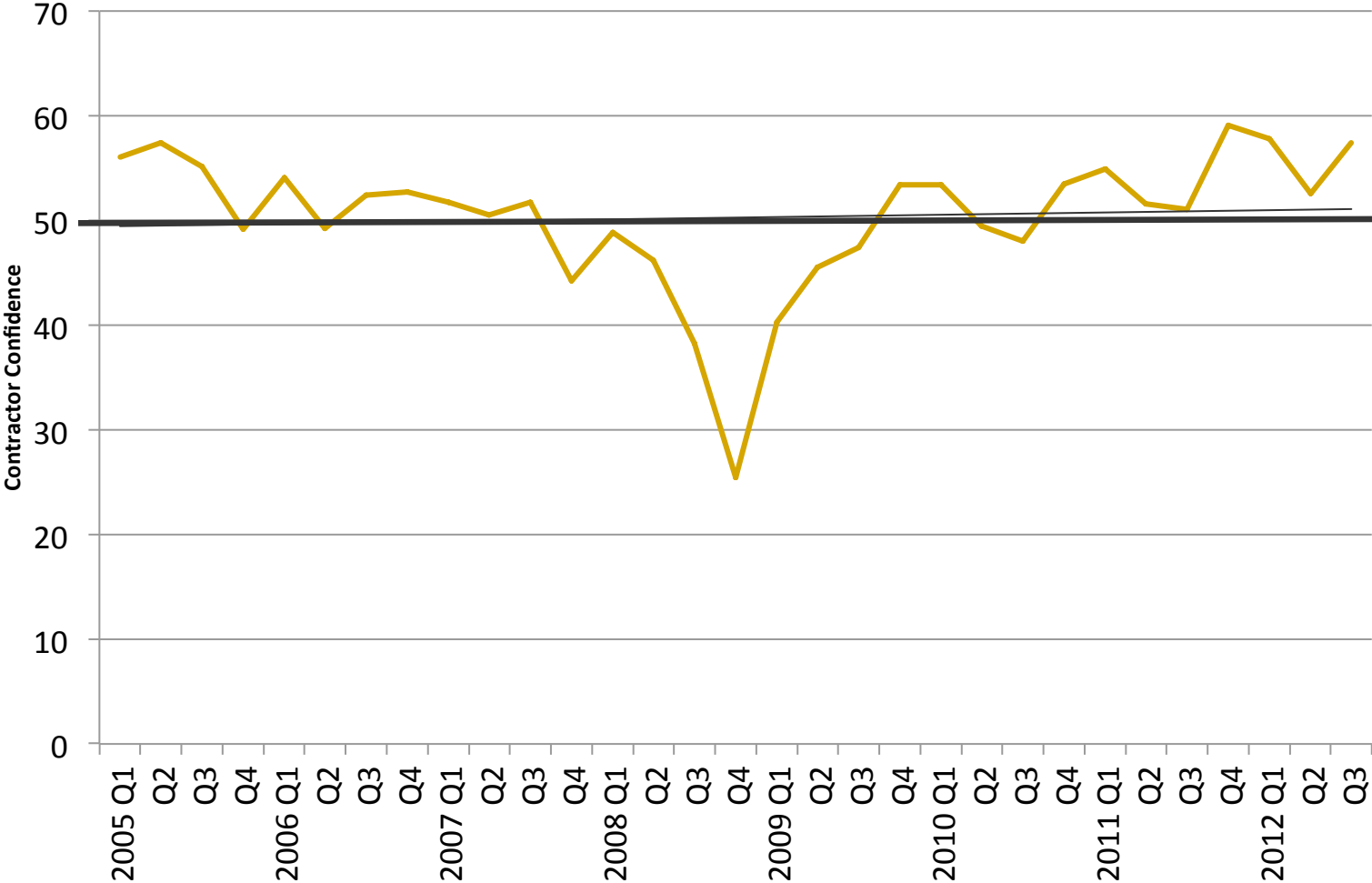
NAHB Remodeling Market Index - Midwest Trend



NAHB Remodeling Market Index - Maintenance Trend



NAHB Remodeling Market Index - Minor Repair Trend

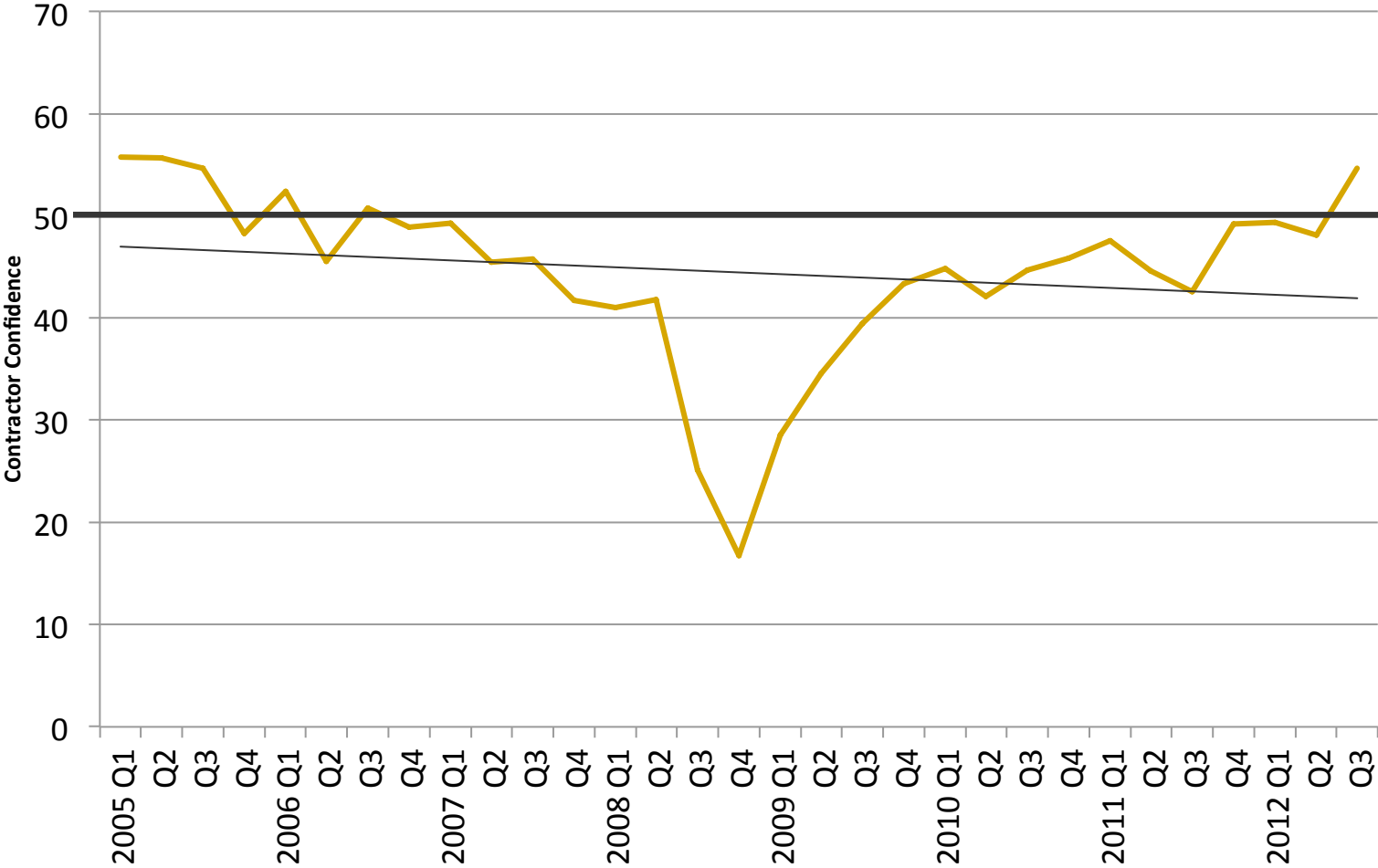


— RMI - Minor Additions/Alterations-Owners

— Linear (RMI - Minor Additions/Alterations-Owners)



NAHB Remodeling Market Index - Major Repair Trend



— RMI - Major Additions/Alterations-Owners (CURRENT)

— Linear (RMI - Major Additions/Alterations-Owners (CURRENT))

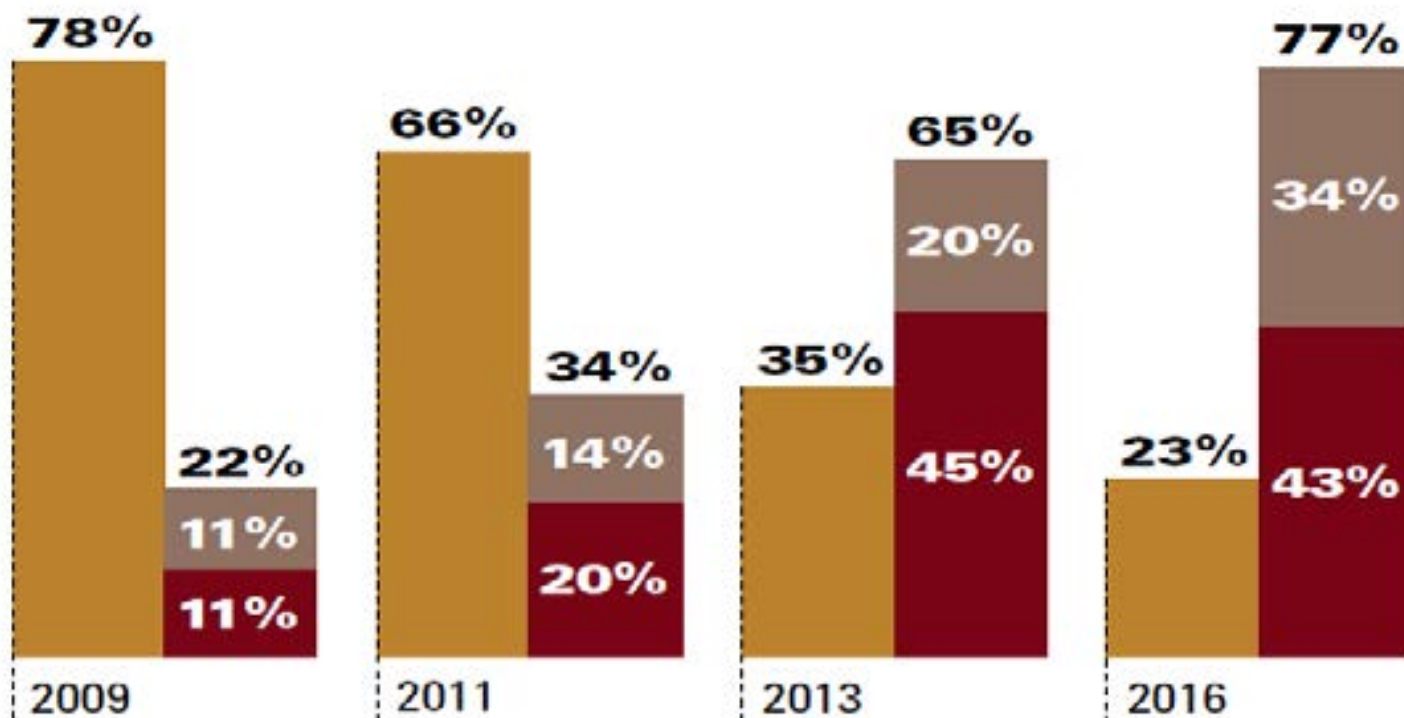


Involvement in Green Activity Over Time

Remodelers

Source: McGraw-Hill Construction, 2012

- Less than 16% of Projects Green
- More than 60% of Projects Green
- 16%–60% of Projects Green



Minnesota Housing Can Help You Complete More Projects

1. Why you need to be aware of Minnesota Housing Fix UP Loan programs
2. What are the options to help homeowners finance projects
3. Eligible improvements and property types
4. How to access these state wide programs



Why Promote Fix UP Loans?



- Generate new business and complete more projects
- Provide homeowners access to safe, affordable financing
- Also you to overcome objections

Preserving Existing Housing With Fix Up Loans



- Provides homeowners with affordable financing to:
 - » Enable homeowners to make repairs and upgrades to their homes
- Since 2005, Minnesota Housing Fix Up has provided financing to over 13,000 homeowners

What are Fix-up Fund Loans?



- They are Safe Affordable Home Improvement Financing Options :
 - » Enable homeowners to afford repairs and make upgrades to their homes
 - » Motivate homeowners to invest in existing housing stock.

Features and Benefits of Fix Up Loans



Compared to traditional loan products the Fix Up Loans offer

- Longer repayment terms
- Affordable, fixed interest rate for full term of the loan
- Higher loan-to-value limits
- Offers an unsecured loan
- Incentives to make energy efficient upgrades

Fix Up Home Improvement Loans



New Features and Program Summary

The following new program features (highlighted in light green) will be effective June 4, 2012.

TOPIC		SECURED LOANS	SECURED LOANS <i>Option available when funds are used exclusively for Energy Conservation and/or Basic Accessibility Improvements</i>	UNSECURED LOANS
Eligible Improvements		Improve the basic livability or energy efficiency of the property, including additions, alterations, renovations and/or repairs, or bring a property into compliance with housing maintenance codes or other public standards applicable to housing.	<ul style="list-style-type: none"> Basic energy conservation: Energy Star rated furnace, air conditioner, water heater, light fixtures; insulation; air sealing Basic accessibility: Ramp; widening doorways/hallways; moving electrical outlets and switches, modifying hardware; installing fire alarms, smoke detectors and other alerts; handrails, grab bars, stair lifts; and bathroom fixture modifications For more expansive projects than items listed above, use the regular Fix-up Fund, Secured or Unsecured option 	Improve the basic livability or energy efficiency of the property, including additions, alterations, renovations and/or repairs, or bring a property into compliance with housing maintenance codes or other public standards applicable to housing.
Maximum Loan Amount		\$35,000	\$7,500	\$10,000
Minimum Loan Amount		\$2,000	\$2,000	\$2,000
Loan to Value		Up to 110% of after improved value	Up to 110% of after improved value	N/A
Combined Loan Balance/ Loan Consolidation Limits		<ul style="list-style-type: none"> Combined secured and unsecured Fix-up Fund loan balances cannot exceed \$35,000 May consolidate balance of previously received Fix-up Fund loan 	<ul style="list-style-type: none"> Combined secured and unsecured Fix-up Fund loan balances cannot exceed \$35,000 May not consolidate balance of previously received Fix-up Fund loan 	<ul style="list-style-type: none"> Combined unsecured loan balances cannot exceed \$10,000 Combined secured and unsecured Fix-up Fund loan balances cannot exceed \$35,000 May not consolidate balance of previously received Fix-up Fund loan
Interest Rate*	Subordinate Lien	5.99%	4.99%	6.99%
	1st Lien	as posted on www.mnhousing.gov		
Auto-Pay Incentives		N/A	N/A	6.49% for borrowers choosing to complete an Authorization Agreement for Monthly Automatic Payment ("auto debit") at closing
Maximum Repayment Term		Up to \$10,000: 10 years \$10,001 - \$35,000: 20 years	10 years	10 years
Minimum Repayment Term		1 year	1 year	3 years

Fix Up Loan Secured by a Mortgage

- Finance full scale home improvement projects up to \$35,000
- Ability to borrow up to 110% of the homes after improved value
- 5.99% interest rate
 - Reduced rate for loans secured by a first mortgage
- Minimum credit score: 620
- Maximum term: 10-20 years based on loan amount

Fix UP Loan vs. Traditional Loan Products



- Longer repayment terms result in lower monthly payments
 - » Example: \$17,000 project with a term of 20 years and a rate of 5.99% would cost the homeowner \$121 a month

Reduced Rate for Energy and Accessibility

Eligible Improvements

- Energy Star rated furnace, central air conditioner, water heater; insulation, and air sealing
- Ramp, widening doorways/hallways, grab bars, stair lifts, bathroom fixture modifications

Terms

- Maximum loan amount:\$7,500
- 4.99% interest rate
- Maximum repayment term: 10 years
- Minimum credit score:620

Fix Up Unsecured Loan Options

Unsecured Loans up to \$10,000

- No equity required
- Up to a 10 year repayment term
- Current rate
 - 6.49% with auto-pay
 - 6.99% with manual pay
- Easy for lender to process
- Requires a credit score above 680

Who Qualifies?



Borrower Eligibility Summary

- Owner and occupant of property to be improved
- Household income not greater than \$96,500
- Decent credit & ability to repay a loan
- Bids or estimates for eligible improvements

Eligible Property Types



- Single family home
- Duplex, tri-plex, 4-plex
 - » Homeowner must occupy 1 unit
- Townhome or condo
 - » Common areas not eligible
- Manufactured home
 - » Permanently affixed to a foundation, utilities in place, financed and taxed as real property
- Ineligible
 - » Personal property mobile homes
 - » Homes not complete or habitable

Eligible Improvements



- Basic and permanent residential repairs, remodeling, and energy conservation
- Accessibility improvements
- Construct a garage if property doesn't already have a garage, or repair an existing garage

Sampler of Eligible Improvements

- Energy upgrades – furnace, air, water heater
- Window replacement, insulation
- Kitchen and bathroom remodeling
- Add a porch or deck
- Siding, painting, roofing
- Electrical, plumbing
- Replace well, septic system
- Sidewalk or driveway upgrades

Ineligible Improvements



- Personal property items – such as appliances
- Outbuildings, gazebos, pools, saunas, hot tubs
- Garage space in excess of 800 square feet
- Work that's already started or completed

The Fix Up loans can help you increase your business

- Increase your homeowners' options for financing!
 - » Get to know the Fix Up lenders in your area
 - » Provide Fix Up loan brochures to homeowners
 - » Inform homeowners of locally-participating lenders



The Basic Process



Homeowner

- Applies with Minnesota Housing approved lender

Lender

- Originates, underwrites, closes, and funds the loan

Lender

- Sells loan to Minnesota Housing

Reminder: Dealer Loans Not Eligible

- A participating lender must take the application not a contractor/dealer
- Make referrals; don't take applications
- Loan funds must be disbursed directly to the homeowner, who in turn pays the contractor

Resources



Marketing

- Minnesota Housing tools to help you promote the Fix-up Fund
- Order supplies of:
 - » Program Reference Guide
 - » Brochures
- Print current lender lists from Minnesota Housing Website

Minnesota Housing Promotion Opportunities

Fix-up Fund Loan Program



Fix-up Fund Loan Program Reference Guide

for Lenders and Housing Professionals



Minnesota Housing can help you
promote your programs!
Here are two ways.
Visit website for more ideas!

Fix-up Fund Loan Program

Make repairs, remodeling and energy saving improvements, such as:

- Furnace or boiler and central air conditioning*
- Windows and doors
- Insulation,* attic air sealing*
- Water heater*
- Siding and roofing
- Septic system upgrades
- Mold and radon mitigation
- Accessibility improvements*
- Basic garage, if none exists

* Choose Energy Star furnace, central air and/or water heater, insulation and air sealing, and/or basic accessibility improvements for the reduced rate on secured loans.

If your home was built before 1978, you should take precautions to prevent lead-based paint hazards. For more information, see our website at www.mnhousing.gov.



Fixing up your home?

We've got the funds.



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St. Paul, MN 55101
Telephone: (651) 296-7608 or (800) 657-3769,
or (651) 297-2361 for TTY
mnhousing@state.mn.us
www.mnhousing.gov



Follow us on Facebook and
Twitter at @mnhousing.



01/2012



How to order Marketing items

The screenshot shows the Minnesota Housing Finance Agency website. At the top, there is a navigation bar with links for Home, Login, Sitemap, and a search box. The main header features the Minnesota Housing Finance Agency logo and the text "Celebrating 40 years of affordable housing." Below the header is a horizontal navigation menu with categories: Home Buyers, Lending & Funding Partners, Developers, Owners, Homelessness/Housing Assistance, Applications & Forms, and Investors. A dropdown menu is open under "Marketing", listing options such as Collaborative Partners, Home Buyer Educators, Real Estate Professionals, Lending Partners, Funding Partners, Income Limits, MBS Transition Information, Become a Minnesota Housing Lender, Single Family eNews Archives, Co-Branded Marketing Opportunities, and Single Family Servicing. The main content area displays a "Welcome to Minnesota Housing" message and a list of "Special" programs including Single Family Servicing, Neighborhood Stabilization Program, Weatherization Information, and American Recovery and Reinvestment Act (ARBA).

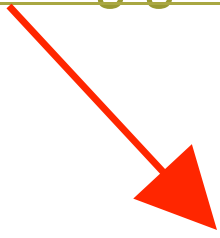
Marketing/Outreach Partnerships



- Invite Minnesota Housing to speak about the Fix-up Fund at trade shows or continuing education events
- Notify Minnesota Housing of advertising opportunities

Sign-up for Minnesota Housing eNews at

www.mnhousing.gov



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The main content area is divided into several sections:

- Current Interest Rates:** Displays the Minnesota Mortgage Program Government Rate at 4.125% and the Fix-up Fund rate at 5.990%. It notes that Minnesota Housing offers competitive interest rates on its loan programs and provides a link to 'Click For More Interest Rates'.
- Special Announcements:** Lists several news items with links, including 'DEED Seeks Proposals for Services', 'Governor Dayton Appoints Two New Minnesota Housing Board Members', 'Summary of FY2012-13 Agency Budget Recommendation', and 'Minnesota Housing Creates Tool for Reporting Non-Compliance'.
- Quick Links:** A vertical list of links including 'Rent & Income Limits', 'Home Cost Limits', 'News Room', 'About Us', 'Frequently Asked Questions', 'Relief Strategies', and 'eNews Signup' (which is circled in red).
- News Feed:** Features two news items: 'Tornado may signal a rebirth for north Minneapolis | Minnesota Public Radio News' (dated Fri, 27 May 2011) and 'MinnPost - What it's like to be a young mother, homeless and looking for help' (dated Thu, 26 May 2011).
- Connect with us:** Includes social media icons for Facebook and Twitter.
- Service Categories:** A vertical list of services such as 'First-time Homebuyers', 'Foreclosure Assistance', 'Home Improvement Loans', 'Neighborhood Stabilization Program', 'Community Profiles', and 'RFP Application Info'.
- 40th Anniversary:** A graphic at the bottom right celebrating '40 YEARS OF AFFORDABLE HOUSING'.

Sign Up

Facebook helps you connect and share with the people in your life.



- Wall
- Info
- Photos
- Discussions

165
like this

1
talking about this

1
was here

Likes [See All](#)



Minnesota Housing



Create a Page

Government Organization · Saint Paul, Minnesota



Wall

Minnesota Housing · Everyone (Top Posts) ▾

Share: Post Photo

Write something...

Minnesota Housing



"Home" affects many aspects of our lives, including our health.



Study: Living in poor neighborhood can hurt health

minnesota.publicradio.org

Back in the 1990s, the federal government tried an unusual social experiment: It offered thousands of poor women in big-city public housing a chance to live in more affluent neighborhoods.

Like · Comment · 2 hours ago

Minnesota Housing



Barb Sporlein has been named our new Deputy Commissioner! Congrats and welcome to Barb! <http://ft.co/19jvwbm>

Like · Comment · @mnhousing on Twitter · 6 hours ago via Twitter

Follow us
facebook

twitter

Q & A

- We will take time here to answer a few questions.



For More Information Contact

Minnesota Housing

400 Sibley Street, Suite 300
St. Paul, MN 55101

651.296.7608

800.657.3769

TTY 651.297.2361

www.mnhousing.gov

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Ideas to Increase Your Business

- Suggest other improvements that pair well with radon mitigation
 - » Upgrade water heater
 - » Replace furnace with a more energy efficient option
 - » Add or replace air exchanger



How to get your client a Fix Up loan?

- Provide a list of approved Minnesota Housing lending partners

Twin Cities 11 County Metro Area
September 23, 2011

All lenders on this list participate in Minnesota Housing's First-time Homebuyer programs. Some of the lenders also participate in the Community Activity Set-Aside (CASA) Program. For a list of communities that participate in CASA, visit Minnesota Housing's website at: www.mnhousing.gov. Minnesota Housing allows lenders flexibility in determining the method they wish to use to distribute funds, as long as it is fair and equitable to all potential applicants.

City	Lender	Phone
Aberdeen	Edina Realty Mortgage	
Aberdeen	Wells Fargo Bank	
Andover	American Mortgage and Equity Consultants	
Andover	US Bank Home Mortgage	763-712-2927
Andover	Wells Fargo Bank	763-862-7544
Andover	Wells Fargo Bank	763-862-7543
Arundale	Edina Realty Mortgage	763-614-0530
Arundale	Wells Fargo Bank	320-274-1400

Minnesota Housing
Finance Agency

Celebrating 40 years of affordable housing.

Home | Login | Sitemap

Home Buyers, Home Owners, Renters | Lending & Funding Partners, Real Estate Professionals, Home Buyer Educators | Developers, Owners, Management Agents, Architects & Builders | Homelessness/Housing Assistance, Emerging Markets, Local Governments | Applications & Forms, Resources, Training & Technical Services

[Find a Lender](#)

- Refer the homeowner to the an approves Fix Up lender you've identified in your area



- Direct them to the Minnesota Housing website

