



# Increase Your Business with Fix Up Loans

Date goes here

# Our Mission:

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

# 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

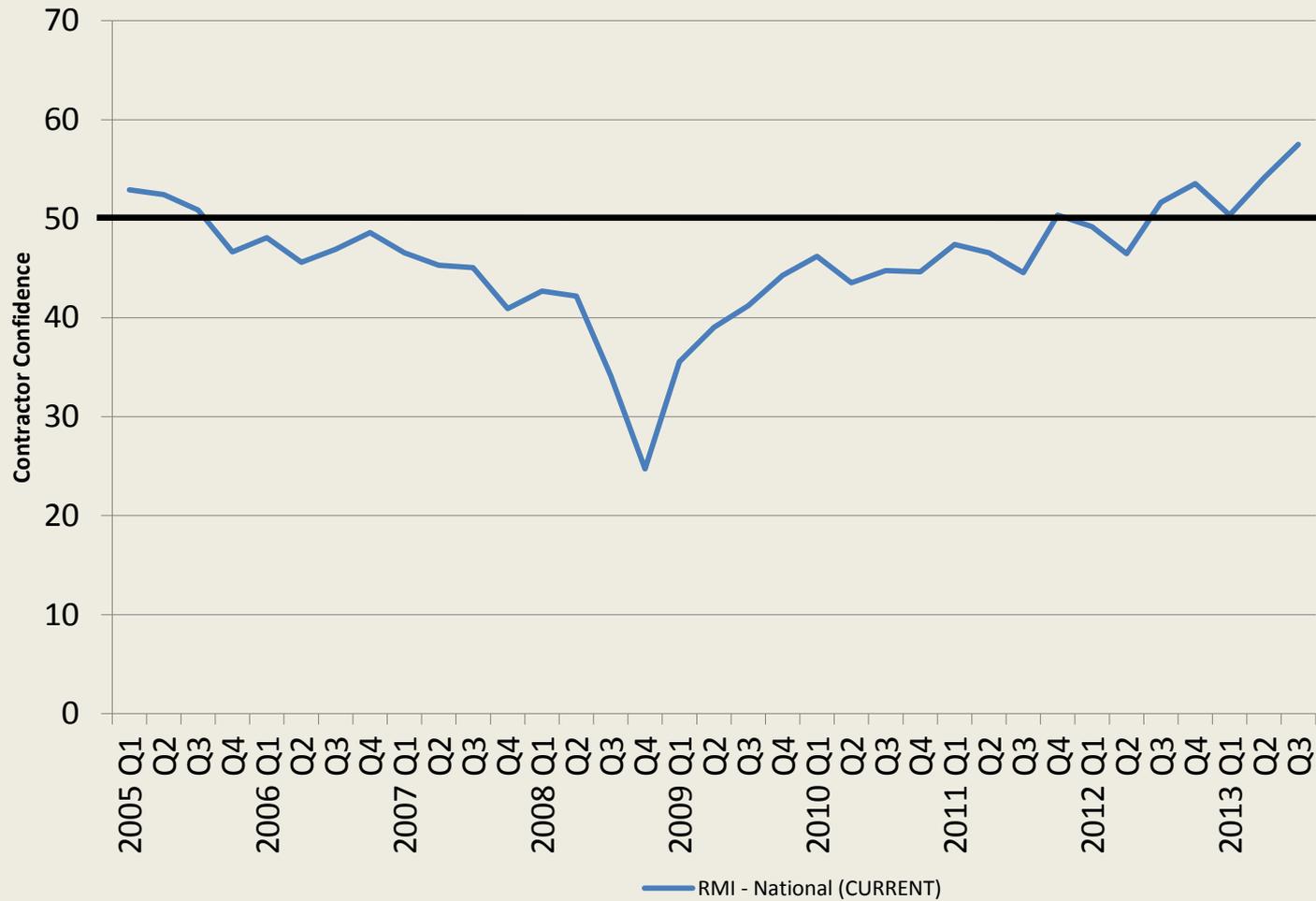


- State Housing Finance Agency
  - Established as a state agency in 1971
- Has invested more than \$9 billion and assisted more than 800,000 households since its establishment
- Fix-Up loans have provided over \$480 million to Minnesota households to finance improvements since 1995

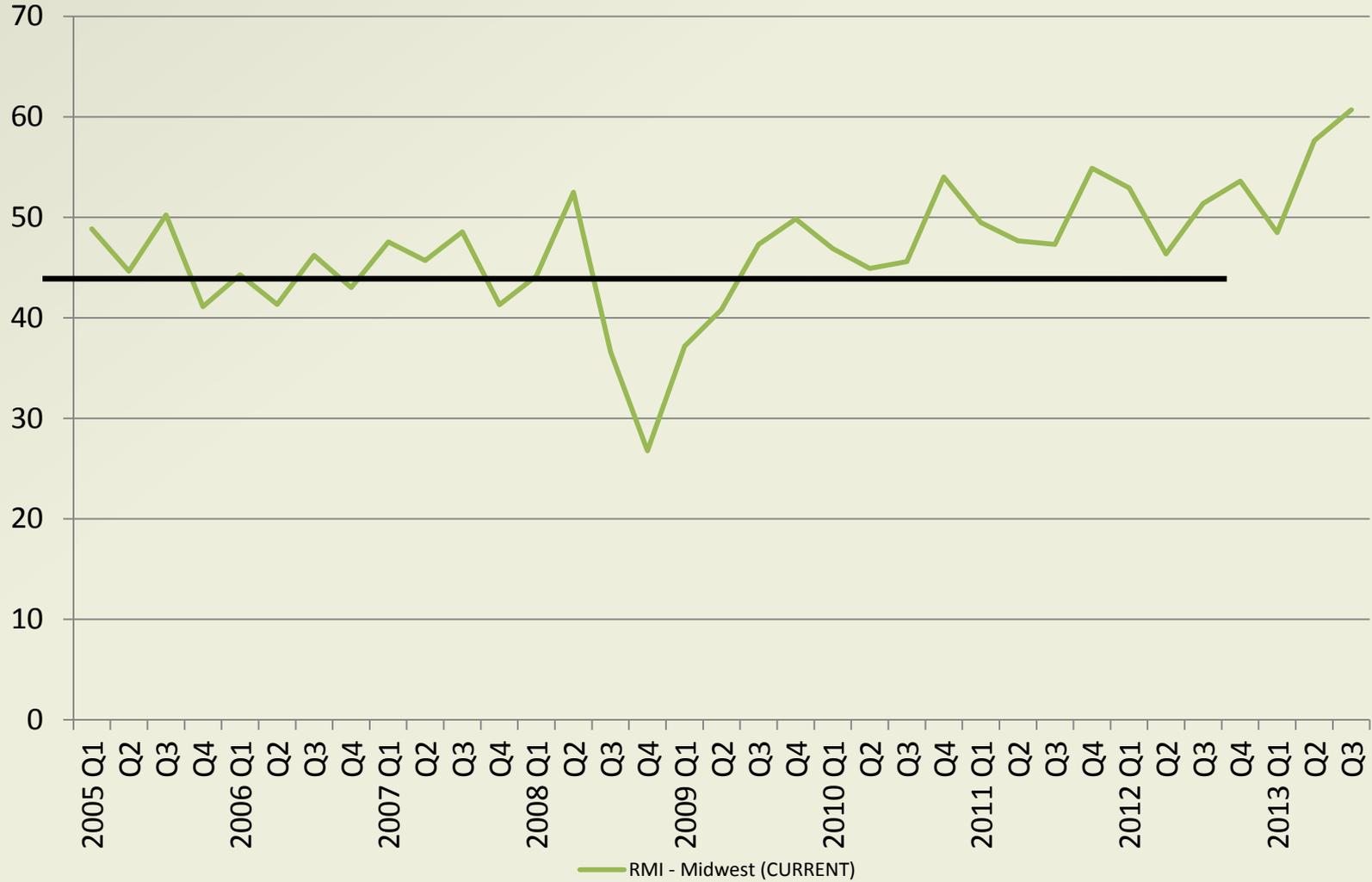
# Economic Outlook

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

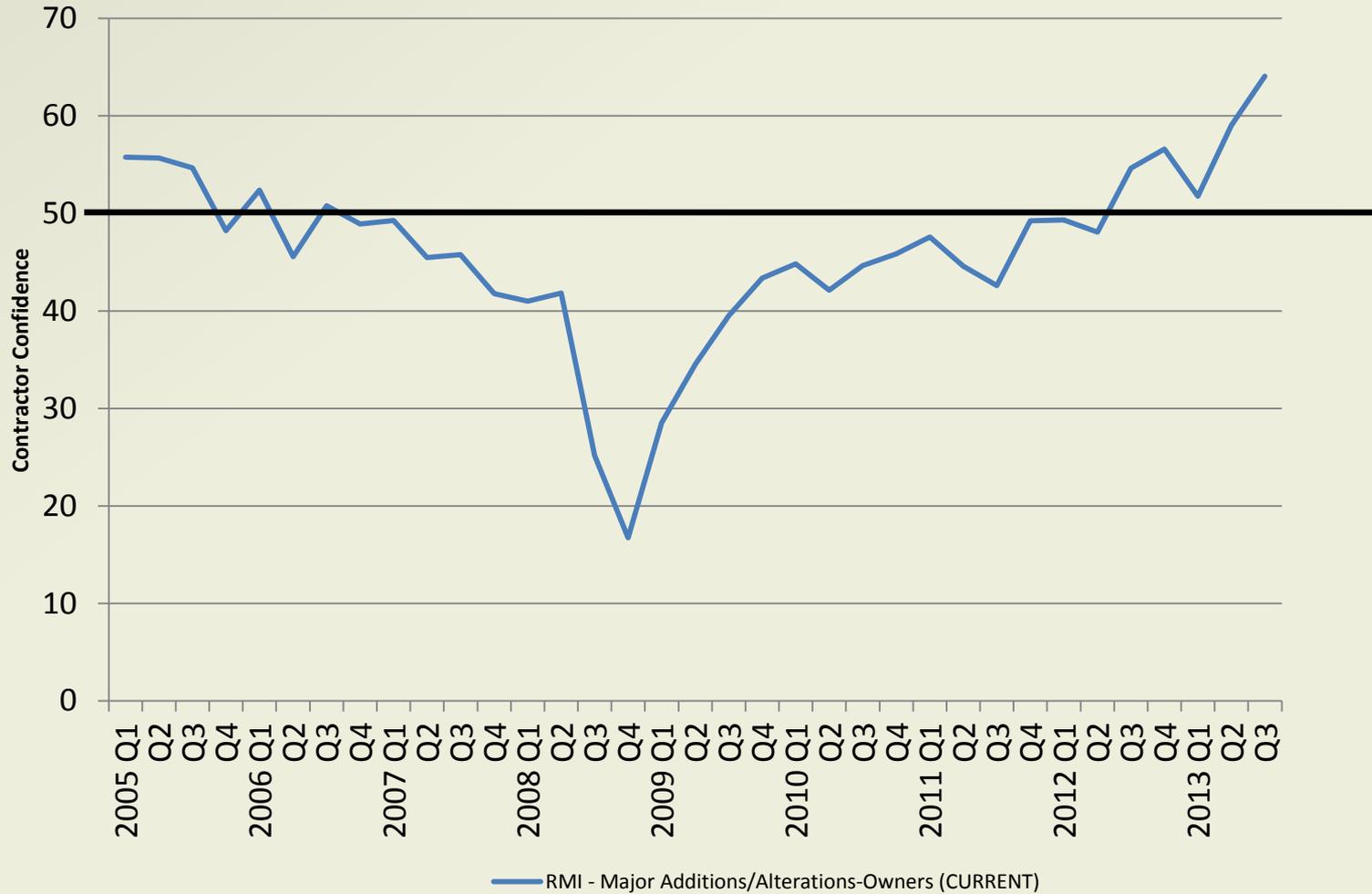
## NAHB Remodeling Market Index - National Trend



# NAHB Remodeling Market Index - Midwest Trend



# NAHB Remodeling Market Index - Major Repair Trend

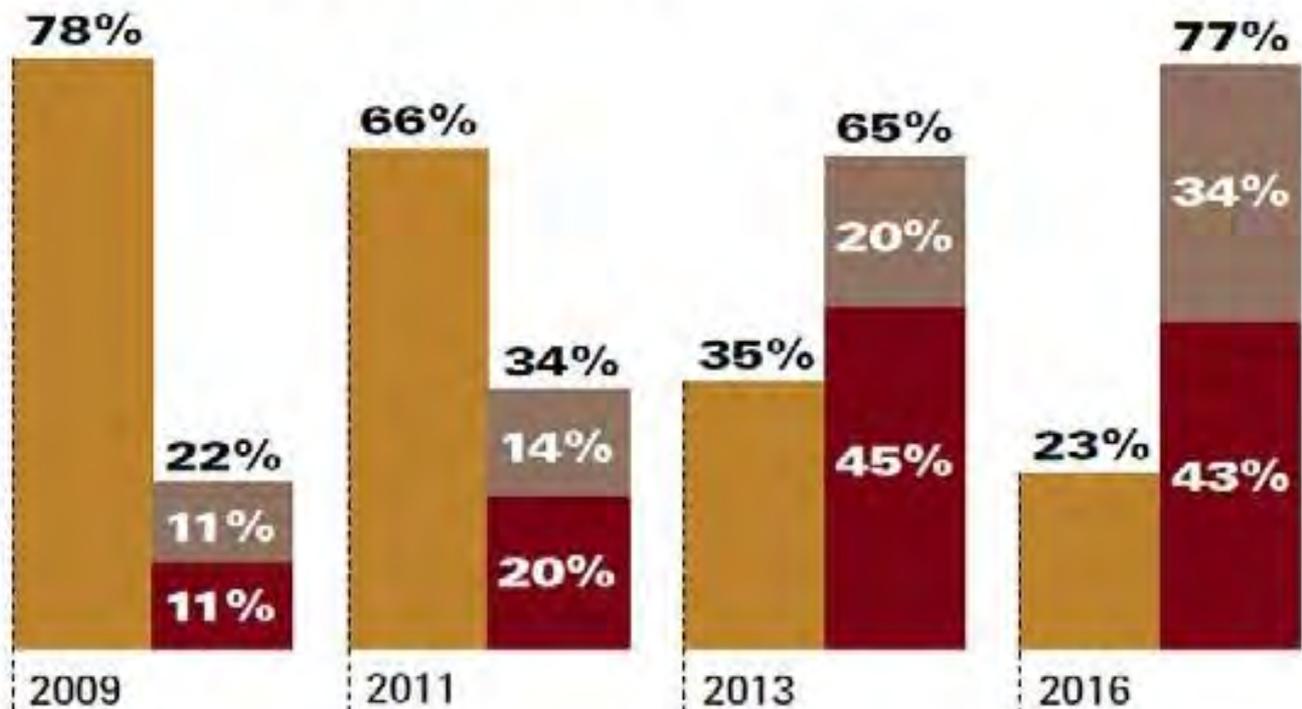


# Involvement in Green Activity Over Time

## Remodelers

Source: McGraw-Hill Construction, 2012

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



# Generate More Business

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. What are eligible improvements and eligible property types
4. How to access these statewide programs

# Why Promote Fix Up Loans?

- Generate new business
- Secured/unsecured loan options provide safe, affordable financing to homeowners.
- Allows you to overcome objections



# Ideas to Increase Your Business

- Suggest other improvements that pair well with their project
  - Upgrade water heater
  - Replace furnace with a more energy efficient option
  - Add or replace air exchanger
  - Insulate attic

# Preserving Existing Housing with Fix Up Loans



- Provides homeowners with affordable financing to:
  - Enable homeowners to make repairs and upgrades to their homes
  - Motivate homeowners to invest in existing housing stock

# Features and Benefits

- Compared to traditional loan products, the Fix Up Loan offers:
  - Longer repayment terms—up to 20 years
  - 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

# Reduced Rate for Energy and Accessibility

- Eligible Improvements:
  - Energy Star rated furnace, central air conditioner, heater; insulation, and air sealing
  - Ramp, widening doorways/hallways, lifts, bathroom fixture modifications
- Terms:
  - Income Limit WAIVED
  - Maximum loan amount:\$15,000
  - 4.99% interest rate
  - Maximum repayment term: 10 years
  - Minimum credit score: 620
  - Ability to borrow up to 110% of homes after improved value

# Energy Incentive Rate Loan Example

Secured Loan Program	
Energy Star Water Heater	\$2,900
Energy Efficient Furnace	\$5,000
Total	\$7,900

Loan Information	
Loan Amount	\$7,900
Interest Rate	4.99%
Term	10 Years
Payment	\$83.75

Establishing Market Value			
Current Property Value	\$105,000	Current Mortgage	\$100,000
½ of Proposed Project	\$3,900	Proposed Project Cost	\$7,900
After Improved Value	\$108,900	Total	\$107,900
After Improved Value x 110% = <b>\$119,790 Maximum</b>			

# Fix Up Loan Secured by Mortgage

- Finance full scale home improvement projects up to \$50,000
- 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

# Secured Loan Example

Secured Loan Program	
Attic Insulation	\$7,500
Garage Construction	\$20,000
Energy Star Patio Door	\$2,500
Energy Efficient Furnace	\$5,000
Total	\$35,000

Loan Information	
Loan Amount	\$35,000
Interest Rate	5.99%
Term	20 Years
Payment	\$250.55

Establishing Market Value			
Current Property Value	\$115,000	Current Mortgage	\$100,000
½ of Proposed Project	\$17,500	Proposed Project Cost	\$35,000
After Improved Value	\$132,500	Total	\$135,000
After Improved Value x 110% = <b>\$145,750 Maximum</b>			

# Fix Up Unsecured Loan Options

- Loan amounts up to \$15,000
- No equity required
- Up to a 10 year repayment term
- Easy for lender to process
- Minimum credit score: 680
- Current rate
  - 6.49% with auto-pay
  - 6.99% with manual pay

# Unsecured Loan Example

Secured Loan Program	
Attic insulation	\$4,000
Energy Star light fixtures	\$1,000
Air sealing	\$1,000
Energy Star air conditioner	\$5,000
Total	\$12,000

Loan Information	
Loan Amount	\$12,000
Interest Rate	6.99%*
Term	10 Years
Payment	\$139.27

Establishing Market Value			
Current Property Value	\$95,000	Current Mortgage	\$100,000
½ of Proposed Project	\$6,000	Proposed Project Cost	\$12,000
After Improved Value	\$101,000	Total	\$112,000

After Improved Value x 110% = **\$111,100** Maximum is **NOT APPLICABLE** to unsecured transaction

# Who Qualifies?



- Borrower Eligibility Summary:
  - Owner and occupant of property to be improved
  - Household income not greater than \$96,500 (waived for energy/accessibility loans)
  - Meets credit criteria & has ability to repay a loan
  - Provides bids or estimates for eligible improvements

# Eligible Property Types

- Single family home
- Duplex, tri-plex, 4-plex
  - Homeowner must occupy one 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



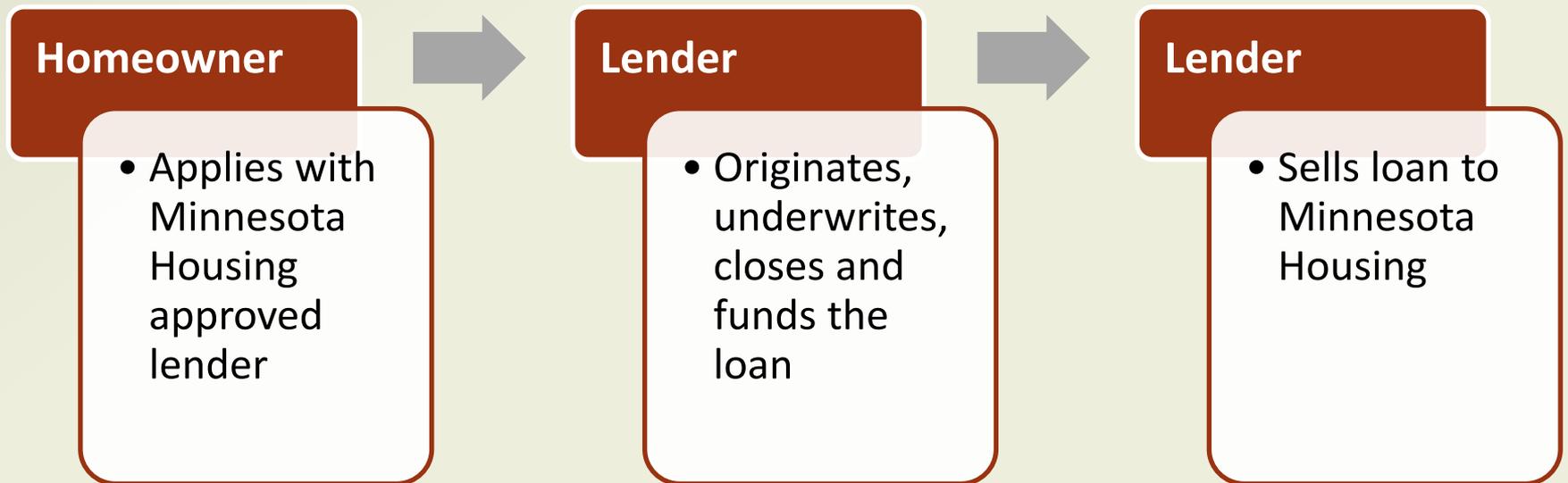
# Samples of Eligible Improvements

- Energy upgrades – furnace, air, water
- 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 Basic Process



# 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

# How to Get Your Client a Fix Up Loan

- Provide a list of approved Minnesota Housing lending Partners
- Refer the homeowner to approved Fix Up lenders you've identified in your area
- Direct them to the Minnesota Housing website

# Resources

## Marketing

- Minnesota Housing tools to help you promote Fix Up Loans
- Order supplies of:
  - Program Reference Guides
  - Brochures
- Print current lender lists from Minnesota Housing website



# Resources

## Marketing

### Home Improvement Marketing Materials

[Order](#) brochures and promotional items from Minnesota Housing and have them mailed directly to you. Pre-printed materials are not customizable.

**To customize some items below:** Download the material of your choice, customize by inserting your contact information in the areas indicated and print. For assistance customizing the items below, please contact [Tana Douville](#) at 651.297.3133.

If you are interested in producing your own customized ads in partnership with Minnesota Housing, please contact [Amy Anderson](#) at 651.296.9825.

#### [Terms of Use - Minnesota Housing Marketing Materials](#)

Item	Image	Size	Description
<a href="#">Fix Up Home Improvement Program Reference Guide</a>		5.5" x 8.5" Glossy booklet	<p>Includes basic qualifying information and program guidelines. Can be used at training events or as a resource guide for borrowers and housing industry professionals.</p> <p>Pre-printed material can be ordered from Minnesota Housing.</p>
			Outlines features and basic program guidelines. Use for

# Resources

## 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

# Resources

## eNews

**housing**  
Finance Agency

Mortgage rates starting at:  
**3.875%**  
[View all interest rates](#)

Learn more about our new Fix Up loan features.  
We now offer loan amounts up to \$50,000 and have added unsecured loans to help homeowners who may be under water on their mortgage with amounts up to \$15,000 and no equity required. Find out more.

1 2 3 4

Homebuyers & Homeowners

- ⌘ Mortgage Loans
- ⌘ Home Improvement
- ⌘ Interest Rates
- ⌘ Find A Lender
- ⌘ Foreclosure Prevention

Housing & Rental Assistance

- ⌘ Rental Assistance
- ⌘ Looking for Shelter
- ⌘ Looking for Affordable Rental Housing

Lenders & Homeownership Partners

- ⌘ Interest Rates
- ⌘ Homeownership Lenders
- ⌘ Home Improvement Partners
- ⌘ Real Estate Partners
- ⌘ Community Development

Multifamily Rental Partners

- ⌘ Programs & Funding
- ⌘ Post-Selection
- ⌘ Management, Compliance & Servicing
- ⌘ Section 8
- ⌘ Program Administration

Special Announcements and Upcoming Events

On November 7, Minnesota Housing awarded more than [\\$54 million for affordable housing developments across the state](#) that will create 1,904 units of affordable housing, and support hundreds of jobs statewide.

[Notice of Comment Period for CAPER](#)

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Minnesota Housing @mnhousing 20h  
Commissioner Tingerthal is visiting @TouchstoneMH's innovative Rising Cedar supportive housing today...pics to come: [touchstonemh.org/programs-and-s...](#)

Minnesota Housing @mnhousing 15 Nov  
Selected project profile #3 - Hamline Station, St. Paul (by Project for Pride in Living)

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# Q&A

# For More Information

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