

BORROWER RESPONSIBILITY

Borrower must complete an application and provide documentation relating to eligibility requirements including but not limited to the following:

- Organizational documents
- Evidence of site control
- Value
- Credit worthiness
- Net Worth
- Property Analysis
- Financial Analysis

APPLICATION FEE

- Application fee of \$100 per unit with a \$3,000 maximum (\$500 minimum).

BORROWER'S CONTRIBUTION

- Borrower shall contribute 3% down of the total project.

Loan Monitoring:

The loan will be monitored by Minnesota Housing for the full effective period of the loan. Annual recertification includes compliance with rent, income and property insurance, change of ownership and/or management. **This includes rent requirements for new renters.**

RENT LIMITS

Minnesota Housing has established maximum RRDL Rent Limits based on wage data to ensure affordability.

Rent Limits including Utilities:

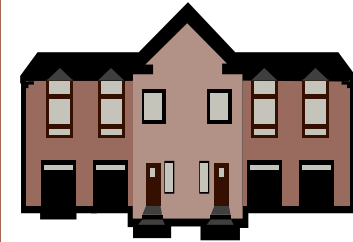
	Stearns	Benton	Sherburne
Efficiency	\$775	\$703	\$760
1 Bed-room	\$830	\$753	\$813
2 Bed-room	\$997	\$905	\$978
3 Bed-room	\$1,151	\$1,044	\$1,128
4 Bed-room	\$1,284	\$1,165	\$1,259
5 Bed-room	\$1,418	\$1,287	\$1,390

ELIGIBLE IMPROVEMENTS

Eligible Improvements must be permanent general improvements that have not been started prior to the loan commitment. They include renovations or repairs to an existing structure to preserve or improve the basic livability, safety, or utility of the property. Improvements include but are not limited to items such as roof, windows, siding, plumbing, electrical, HVAC, bathroom and kitchen renovations and flooring.

INELIGIBLE IMPROVEMENTS

Ineligible Improvements include but are not limited to acquisition, new construction, sweat equity, pools, and out buildings.



Rental Rehab Deferred Loan Program

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Rental Rehab Deferred Loan Program (“RRDL”)

St. Cloud HRA has teamed with Minnesota Housing to bring rental property owners the opportunity to rehabilitate their existing rental housing and make sure that affordability is preserved for low and moderate income households.

- Properties must be within the St. Cloud city limits
- Loan amounts are from \$25,000 to \$300,000
- Assisted units must be occupied by households at or below 80% of the greater of state or area median income, NOT adjusted for family size (for the City of St. Cloud this is currently \$62,400)

Small Project Highlights:

This loan is a 0% interest deferred loan. Requirements include but are not limited to:

- Existing permanent residential rental housing with 1-4 units that is owner-operated.
- Forgiven up to 100% after 10 years for maintaining the applicable income and rent requirements and annual compliance reporting
- Owner must be a natural person or sole proprietorship
- The rehabilitation must address conservation, health and safety, code compliance items or improvements required to maintain license or rental assistance.
- Minimum loan amount \$25,000
- Maximum loan amount \$100,000

Ineligible Properties include but are not limited to:

- Owner occupied housing where 51% or more of the space is owner occupied
- Projects requiring licensing from the state (group homes, nursing homes, etc.) or temporary housing
- Projects that will not be suitable for intended occupants post-rehab

Large Project Highlights:

This loan is a 0% interest deferred loan. Specific loan terms range depending on the amount of funds borrowed:

- Existing permanent residential rental housing with 4 or more units.
- Maximum loan amount \$300,000
- Loans under \$100,000 qualify for a minimum 10 year term and a 5 year affordability period
- Loans of \$100,000 or more qualify for a minimum 15 year term and 10 year affordability period
- Loan term may be extended to 30 years or co-terminus with the first mortgage, however owner must agree to maintain the use restrictions and report annually for the duration of the loan.

Partial Debt Reduction:

Up to 10% of the debt may be forgiven for maintaining the applicable income, rent and compliance requirements for the full loan term. Five percent will be forgiven each year of the last two years of the RRDL Loan term.