



NWHOMEPARTNERS.ORG/NRRC

651-292-8710

Emergency Loan Program Guidelines

Program Overview: The Northside Residents Redevelopment Council (NRRC) is making available updated and revised programs, and NRP dollars that are designated for home improvements and homebuyer assistance in the Near North and Willard Hay (NNWH) neighborhoods. Neighborhood Housing Services of Minneapolis (NHS) and NeighborWorks Home Partners are overseeing administration of the program. The funds are provided through NRP.

Definition of Emergency: An emergency is defined as an imminent condition that makes a dwelling uninhabitable, dangerous to the occupants, or is capable of causing health problems.

Loan Amount: Loan Minimum \$3,000; Loan Maximum of \$5,000.

Interest Rate & Loan Term: 0%. The loan will be 100% forgiven after seven (7) years of continued occupancy and ownership from the date of loan closing.

Loan Security: All loans will be secured by a mortgage in favor of the City of Minneapolis.

Borrower Eligibility:

- Debt to Income Limit: N/A
- Loan To Value: N/A
- Credit: Borrowers must be current on housing payments, homeowners insurance and property tax payments.
- Income Limit: No maximum income limit.
- Multiple Loans Per Property: Layering of loans between NNWH programs is eligible; however, any given time, an individual or property may only have one active loan from each NNWH loan program.

Property Eligibility:

- 1-2 unit dwellings, owner-occupied (at time of application) and located in the Near North / Willard Hay neighborhood.
- Owners of condominiums or townhomes are eligible for interior work only.
- Condominium and townhome association are not eligible.

Eligible Improvements: Examples of emergency conditions may include but is not limited to the following;

No water in the dwelling

No working toilet

No heat in the heating season

Missing or broken flue releasing gases into the dwelling

Any natural gas leaks

Roof leak, only if ceiling is collapsing

Electrical – No electricity in the dwelling, bare hot wires, burned wires

Major structural problems making the dwelling uninhabitable such as collapsed foundation

Security – Broken entry door, broken basement or first floor window, broken entry door lock

Elderly – Broken or missing stair(s) and handrail

Main sewer and/or water line

Tree removal in situations posing imminent potential for property damage or personal injury

DO NOT SIGN ANY CONTRACTS OR START YOUR PROJECT UNTIL A CLOSING HAS TAKEN PLACE. ANY PROJECT BEGUN BEFORE A LOAN CLOSING HAS TAKEN PLACE WILL BE INELIGIBLE FOR PARTICIPATION IN THE PROGRAM.

Application Process: Applications for financing will be processed on a first-come first-served basis until all funds are committed. NHS will be expected to visit the property within 24 hours of contact from an applicant to verify whether an emergency condition exists in accordance with the program guidelines. Northside Resident Redevelopment Council (NNRC) staff and board members are eligible to apply sixty (60) days following the announced application start date.

Bidding: The Borrower must provide a minimum of 1 bid. All contractors must be properly licensed. Permits must be obtained when required by City ordinance.

Rehabilitation Management: The NHS rehab advisor will provide advice on proposed work and assist with the bidding process.

Loan Costs: Fees associated with loan origination and closing may be included in the loan amount and paid at closing, including all filing fees, related closing costs, loan servicing costs and mortgage subordination review (if any).

Contractors & Permits: Contractors must be properly licensed by the state of Minnesota when required. Permits must be obtained when required by city code.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work.

Custody of Funds: NHS will act as the "construction escrow agent" and will disburse contractor/construction pay outs upon completion and inspection.

Work Completion: Weather permitting; all work items must be completed within sixty (60) days of loan closing. Any extensions will be reviewed on a case-by-case basis by NHS. NHS will provide rehabilitation management services during construction.

Disbursement Process: Payment to the contractor will be made after completion of the work, an inspection by the City Department of Inspections (if required by permit) and NHS. The following items must be received before the funds can be released:

- Original invoice(s) from contractor(s)
- Completion certificate(s) signed by the borrower and the contractor
- Evidence of City permits and clearance of such permit(s)
- Evidence of NHS inspection
- Lien Waivers(s)

Get Started by contacting:

NeighborWorks Home Partners

Home Improvement Team

(651) 292-8710 hello@nwhomepartners.org

Effective Date: January 2018