



Greater Metropolitan Housing Corporation  
Housing *Resource* Center – Saint Paul  
627 Selby Avenue, St. Paul, MN 55104  
Ph: (651) 228-1077 Fx: (651) 228-1077



## Woodbury Home Improvement Fund

### I. PROGRAM GUIDELINES

**Program Overview:** The City of Woodbury, in partnership with the Greater Metropolitan Housing Corporation (GMHC), has made low-interest home improvement loans available to remove blight, encourage home renovation, and increase home values in the City of Woodbury. Current available dollars for loans are based upon the fund balance for any given period.

**Loan Amount:** The maximum loan amount is \$25,000. Minimum loan amount \$2,000.

**Interest Rate & Loan Term:** The interest rate will be fixed at 3%, and the monthly payment will be fixed. Maximum loan term is 15 years. Loan is due upon sale, transfer of title, refinance or if the property ceases to be owner-occupied.

**Loan Security:** All loans will be secured by a mortgage in favor of the City. The loan may be secured in a subordinate lien position behind other loans. Applicant will be required to obtain title insurance on this loan for the City of Woodbury.

**Borrower Eligibility:**

- a. Debt to Income Limit: Borrowers' monthly debts cannot exceed 50% of monthly income.
- b. Credit: Standard underwriting criteria apply.
- c. Income Limit: The total gross annual household income cannot exceed 80% of the current area median household income, as defined by HUD per household size, as follows:

<u>Household Size</u>	<u>Income Limit</u>
1	\$45,100
2	\$51,550
3	\$58,000
4	\$64,400
5	\$69,600
6	\$74,750
7	\$79,900
8	\$85,050

**Property Eligibility:**

- Owner-occupied properties located within the City of Woodbury.
- Taxable market value as determined by Washington County for the current year not to exceed \$256,500.
- Single family housing units are eligible.
- Condominiums & townhouses are eligible for individual interior repairs only.
- Properties may not be within the flood plain as identified by FEMA.
- Borrower's existing first mortgage must be a prime/A-rated fixed rate mortgage loan.
- The borrower's combined mortgage debt including the Woodbury loan cannot exceed 90% of the property value, based on the taxable market value as determined by Washington County for the current year. Applicants may also submit a third party appraisal that has been completed within the last 6 months. Such an appraisal is to be obtained by the applicant at their expense.

**Eligible Improvements:** Work shall include repairs, replacement, and new construction that will:

- Correct local or state code deficiencies, health and safety items
- Improve value of the home (e.g. general home remodeling, home additions, etc.)
- Improve handicap accessibility
- Reduce long-term energy costs

**Ineligible Improvements:** Recreational/luxury improvements, working capital, debt service or refinancing of existing debts.

## II. APPLICATION & LOAN DISBURSEMENT PROCESS

**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:** Completed applications will be processed by the Housing *Resource* Center (HRC) on a first-come, first-served basis, as funds are available until all program funds are committed. After loan approval you will be notified to come to the HRC for a loan closing to sign a Note and Mortgage.

**Rehabilitation Consulting:** HRC consultants will be available to advise borrowers about proposed projects and conduct an optional initial home inspection. HRC will review bid(s) for reasonableness.

**Loan Costs:** A credit report fee paid by applicant at time of application; mortgage registration tax and filing fee and title policy paid by borrower at closing. The title policy may be financed through the loan.

**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. If the final cost exceeds the loan amount, the borrower must obtain the additional funds. Borrower's contribution to project cost must be paid prior to release of loan funds. HRC can direct borrowers to additional financing sources.

**Work Completion:** Weather permitting, work must be completed within 120 days of loan closing.

**Disbursement Process:** Loan funds will remain in escrow at GMHC until payment for completed work. The following items must be received before the funds can be released:

1. **Final Invoice** from each contractor showing all amounts paid and due.
2. **Lien Waiver.** Original from each contractor.
4. **Completion Certificate** signed by each contractor and the borrower.
5. **Permits Closed.** Have the inspector sign the permit card, or have the inspector leave a message at the HRC (651) 228-1077.
6. **Final Inspection** and approval by the HRC.

It may take up to 10 business days after receipt of above items to prepare checks. Payment checks to contractors must be countersigned by the borrower. Lien waivers must be provided before the funds will be released.

**The Housing *Resource* Center – Saint Paul (HRC) is the program administrator. Please call the HRC's construction and loan consultants at (651) 228-1077 to answer any questions about the program and your project.**

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