

Murray County Housing Rehabilitation Single Family Repair Loan Program

Housing Repair Loans

Murray County has pledged \$283,500 in funds to provide housing repair loans to 15 income eligible homeowners living within the Cities of Avoca, Chandler, Currie, Dovray, Hadley, Iona, Lake Wilson, and Slayton. The following eligibility requirements will apply.

- ◆ **Ownership/Target Area** - The applicant must own a property within the City of Avoca, Chandler, Currie, Dovray, Hadley, Iona, Lake Wilson, and Slayton.
- ◆ **Occupancy** - The home to be improved must be the applicant's principal place of residency.
- ◆ **Eligible Repairs** - Repairs that are permanent and necessary are eligible. Examples are: roofing, siding, windows, heating units, electrical, plumbing and health and safety items.
- ◆ **Real Estate Taxes** - An applicant must be current with their real estate taxes
- ◆ **Insurance** – The home must be insured while the loan is in place.
- ◆ **Average Loan** - The average Housing Repair Loan is \$18,900. The homeowner will need to furnish a match to the Housing Repair Loan. SWMHP will assist in determining the match and other resources that may be available to fund the match. The maximum Housing Repair Loan is \$25,000.

Loan Breakdown:

70% of the cost, 0% deferred loan*
30% homeowner's match.

Deferred Loan – The Housing Repair loans will be loaned as 0% deferred loans. A deferred loan is a loan with no monthly payment and no interest will accrue which will be forgiven 10% each year or will revert into a grant if the property does not change ownership within ten (10) years.

- ◆ **Income** - Homeowners who are low to moderate income are eligible to participate in the program.

2017 Murray COUNTY	
Household Size	Gross Household Income
1	\$39,000
2	\$44,600
3	\$50,150
4	\$55,700
5	\$60,200
6	\$64,650
7	\$69,100
8	\$73,550

Housing Repair Process

The program will follow the guidelines as laid out below:

- ◆ **Application** – The applicant will need to complete a full application for the program that requires proof of property ownership, verification of income, and other eligibility requirements.

◆ **Application Procedures** – All households will be served on a first come first serve basis. The following levels will be adhere to on allocating funds:

1. **APPLICANT:** An applicant is defined as a homeowner who is gathering the proof of ownership of their property, current insurance policy, proof that the real estate taxes have been paid and third party income verification. No SCDP funds will be allocated for an applicant.
2. **CLIENT:** The client will be working with the Field Administrator in completing all necessary paperwork and inspections to determine if the project is suitable for rehabilitation; developing a scope of work; approving the scope of work; sending out the bid packets to contractors for review and bidding; and securing matching funds. No SCDP funds will be allocated for a client.
3. **APPROVED PROJECT:** An approved project is a project where the homeowner has completed all the applicant and client requirements; and competitive bids have been received and approved; the homeowner has secured matching funds for their portion of the project; the SCDP funds have been allocated to the project; the SCDP Repayment Agreements, Mortgages or other funding documents for all matching funds have been signed and are ready to be recorded; and all escrow funds have been supplied to the Southwest Minnesota Housing Partnership (SWMHP).

If a project is moved back to the client stage there is no guarantee that the SCDP funds will be available when the client secures their matching funds.

- ◆ **Property Inspection** – SWMHP will identify any housing problems, will inspect the property and will work with the applicant to determine what repairs should be done. **LEAD RULES AND REGULATIONS DO APPLY.**
- ◆ **Scope of Work** - The Project Manager will develop specifications on what work is to be done and how the work should be done.
- ◆ **Bid Awards** - The owner contacts contractor of their choice who have all appropriate licenses. The y owner accepts or rejects bids.
- ◆ **Repayment Agreement** - The owner enters into a repayment agreement with the County to accept the conditions of the loan. The repayment agreement is filed at the County Recorder's office.
- ◆ **Proceed to Work** - The Project Manager sends a letter notifying the contractor that work may begin at the owner's property.
- ◆ **Payments** - Payments can be made on a partial basis when and/or all work has been completed. In order to receive payment, the contractor must submit a lien waiver, a billing statement, and a signed completion certificate (all furnished). In order to make payment, the Project Manager must inspect the property. The homeowner must give signed permission to pay the contractor.
- ◆ **Project Completion** - Upon completion, a final inspection is done and the project is closed.

Southwest Minnesota Housing Partnership (SWMHP)

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