

# **BANCROFT NEIGHBORHOOD ASSOCIATION NRP APPLICATION**

## **Please submit the following documents:**

- Application Form (attached)
- Government Monitoring Addendum (attached)
- Data Privacy Act Statement (attached)
- Authorization to Release (attached)
- Subordination Disclosure (attached)
- IRS Form 4506-T (attached)
- Copy of a current photo ID for all applicants
- Copy of 2 most recent paystubs
- Copy of last 2 years Federal Income Tax Returns including W-2's and all schedules
- Copy of your current mortgage statement
- Copy of bid proposals for the work to be performed (2<sup>nd</sup> bid is required for all projects, contractors must be licensed according to Minneapolis Ordinances or state law)
- Contractor Acknowledgement form (attached) signed by the contractor who will be performing the work
- Credit Report Fee: \$15.00 per married couple; \$15.00 per non-married borrower. Please make check or money order payable to GMHC. The fee is non-refundable.

**Do not sign any contracts, purchase any sweat equity materials or start your project until a loan closing has taken place. Any project begun before the loan closing will be ineligible.**

**Please note that there will be no down payments. Funds will be disbursed when projects are complete and permits (if applicable) are closed.**

**Construction and loan consultants are available to advise and answer questions about the program and your project. For assistance call: (612) 722 – 7141**

## **SUBMIT COMPLETED DOCUMENTS TO:**

**HousingResource Center  
3749 Cedar Avenue S  
Minneapolis, MN 55407  
(612) 722-7141**

**PROGRAM GUIDELINES**  
(BANCROFT: Phase II Home Improvement Programs)

The Bancroft Neighborhood Association (BNA) is making available \$55,000 of its NRP Phase II Funds for two Housing programs:

- Revolving Home Improvement
- Low Income Deferred Loan Program.

Bancroft applicants are encouraged to work with the program administrator to identify additional loan and grant resources that may also be available.

<b>Revolving Home Improvement Loan Program</b>
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**Program Overview:** The intent of the Revolving Home Improvement Loan Program, “loan program” is to provide a loan opportunity to qualifying Bancroft residents that do not meet the qualifications for the TCF Low Interest Home Improvement Loan program and that meet the qualifications and requirements for this program.

**Loan Pool:** \$35,000.00.

**Income Requirements:** Maximum household income at or below 150% of Area Median Income (AMI).

**Loan Amount:** The minimum loan amount is \$1,000. The maximum loan amount is \$5,000. A recipient may participate in this “loan program” more than one time but the combined total of the outstanding loans may not exceed \$5,000.

**Interest Rate:** 3% annual interest.

**Loan Term:** Generally, one year per \$1,000 borrowed. The maximum term will be five (5) years.

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

**Debt-to-Income Ratio:** Applicants must have the ability to repay the loan. Applicants who have a potential debt-to-income ratio in excess of 55% will be denied loan financing

**Loan-to-Value:** There is no loan-to-value limit for revolving loan recipients.

**Underwriting Criteria:** Applicants must have acceptable credit history: Borrowers may not have any payments greater than 60 days late in the past 12 months or have had a bankruptcy in the last two years (without reasonable explanation). Applicants must be current on all mortgage payments and real estate property taxes. Program administrator will approve or deny loans based on a credit report, income verification and other criteria as outlined above.

**Eligible Borrowers:** Bancroft owner-occupant property owners that do not qualify for BNA's TCF Low Interest Home Improvement Loan and meet the other requirements for this program.

**Eligible Properties:** The Bancroft neighborhood property being improved must be homesteaded and contain between one to four dwelling units. Individual condominium, cooperative and/or townhouse units are also eligible. Condominium, cooperative and/or townhouse associations are not eligible.

**Eligible Home Improvements:** These are improvements that will:

- Bring a property into compliance with City of Minneapolis Housing & Building Codes; and/or
- Improve energy efficiency; and/or
- Include permanent exterior improvements; and/or
- Include permanent interior improvements.

**Ineligible Home Improvements:**

- Work started prior to the loan application and loan approval;
- Luxury and recreational projects, such as (but not limited to) hot tubs, pools, sprinkler systems, playground equipment, landscaping (unless to address water seepage issues), decks, spas, saunas, furniture, non-built-in appliances, and business-related improvements.
- If questions regarding eligible versus ineligible home improvements arise, the applicant shall submit the question(s) to the BNA Community Council for its decision at the next regularly scheduled Community Council meeting.

**Low Income Deferred Loan Program**

**Program Overview:** The intent of the Low Income Deferred Loan Program is to provide a deferred loan opportunity to qualifying Bancroft residents that do not meet the qualifications for the BNA's other home improvement loan programs.

**Loan Pool:** \$20,000.00.

**Loan Amount:** The minimum loan amount is \$1,000. The maximum loan amount is \$5,000. A recipient may participate in the low income deferred loan program one time.

**Interest Rate:** 0% interest.

**Loan Term:** One-third (1/3) of the original loan amount will be forgiven every 2 years. The full loan amount will be forgiven after 6 years. The entire un-forgiven principal balance of the Loan shall be immediately due and payable upon sale, assignment, conveyance, transfer, lease or termination of the Residence as the Borrower's principal place of residence.

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

**Income Limits:** Eligible borrower’s gross household, annual income must be at or below eighty percent (80%) of the Area Median Income (AMI). AMI changes each year according to HUD standards. Current 2010-2011 income limits at 80% AMI are:

Household Size	80% of the AMI
1	\$47,040
2	\$53,760
3	\$60,480
4	\$67,120
5	\$72,560
6	\$77,920
7	\$83,280
8+	\$88,640

**Underwriting Criteria:** Applicants must have acceptable credit history: Borrowers may not have any payments greater than 60 days late in the past 12 months or have had a bankruptcy in the last two years (without reasonable explanation). Applicants must be current on all mortgage payments and real estate property taxes. Program administrator will approve or deny loans based on a credit report, income verification and other criteria as outlined above.

**Eligible Borrowers:** Bancroft owner-occupant property owners that do not qualify for BNA’s other home improvement loan programs and meet the other requirements for this program.

**Eligible Properties:** The Bancroft neighborhood property being improved must be homesteaded and contain between one to four dwelling units. Individual condominium, cooperative and/or townhouse units are also eligible. Condominium, cooperative and/or townhouse associations are not eligible.

**Eligible Home Improvements:** These are improvements that will:

- Bring a property into compliance with City of Minneapolis Housing & Building Codes; and/or
- Improve energy efficiency; and/or
- Include permanent exterior improvements; and/or
- Include permanent interior improvements.

**Ineligible Home Improvements:**

- Work started prior to the loan application and loan approval;
- Luxury and recreational projects, such as (but not limited to) hot tubs, pools, sprinkler systems, playground equipment, landscaping (unless to address water seepage issues), decks, spas, saunas, furniture, non-built-in appliances, and business-related improvements.
- If questions regarding eligible versus ineligible home improvements arise, the applicant shall submit the question(s) to the BNA Community Council for its decision at the next regularly scheduled Community Council meeting.

**General Program Conditions**

**Application Processing:** Funds are available on a first-come, first-served basis. All applications must include the following information:

- A completed application form, including a description of the proposed work items and a cost estimate.
- A copy of applicant's most recent real estate tax statement.
- A "Data Privacy Act Statement and Consent Form" (provided by program administrator).
- Applicants will need to supply the program administrator with required bid(s) prior to time of loan closing

**Work by Owner:** Work can be performed on a sweat equity basis. Loan funds cannot be used to compensate for labor, only for materials. The program administrator must determine that the owner has the ability to complete the work within the program time requirement. Materials must be purchased and installed prior to the disbursement of the loan proceeds. Under unusual circumstances, a partial advance will be provided to the borrower. In either situation, a two party check will be issued payable to both the borrower and materials provider. When applicable, a signed City Inspections Department permit must be obtained by the borrower.

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

**Custody of Funds:** Loan funds will remain in the custody of the program administrator until payment for completed work.

**Disbursement Process:** Payment to the contractor (or owner in sweat equity situations) will be made upon completion of work. In the event a permit is not required for the project, an inspection will be performed by the Program Administrator to verify the completion of the work. The following items must be received prior to final disbursement of funds:

- Final bid or invoice from contractor (or materials list from supplier).
- Final inspection verification by program administrator.
- Completion certificate(s) signed by borrower and contractor.
- Lien waiver for entire cost of work.
- Evidence of abatement of any required city permit.

**Total Project Cost:** It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final bill exceeds the original loan amount, the borrower must obtain the additional funds. The borrower's funds must be paid into the project in advance of the NRP funds.

**Contractors/Permits:** Except when labor is to be provided by borrower, the borrower must provide a minimum of two bids for each improvement project. All contractors must be appropriately licensed by the City of Minneapolis. Permits must be obtained when required by city ordinance.

**Rehabilitation Consulting:** The program administrator will be available to borrowers at no cost to advise them about proposed projects prior to obtaining bids and can assist with a written project description for use in bidding projects. The construction manager will review all bids for reasonableness.

**Loan Costs:** The origination fee for the loan will be paid from the BNA NRP Home Improvement Program Administrative fund. Borrowers will pay all filing fees and the mortgage registration tax (if applicable). Servicing costs will be paid from Program Income. Borrowers will be required to pay fees for making late payments and/or a fee for processing and/or handling any payments that are returned to the loan servicer due to insufficient funds.

**Contractors/Permits:** Contractors contracting for work must be properly licensed by the City of Minneapolis when required. Permits must be obtained when required by city ordinance.

**Underwriting Criteria:** For all loan programs, applicants must be current on mortgage and Hennepin County property tax payments. Applicants must have the ability to repay the loan. The program administrator's underwriting decisions may be appealed to BNA.



**INCOME & EMPLOYMENT VERIFICATION**

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**WAGE INCOME:** (Include bonus, overtime, seasonal and sporadic income)

Applicant Name	Employer Name, Address, and Phone Number	Position	Years Employed	Annual Gross Income

**OTHER SOURCES OF INCOME:** (ex. Social Security, child support, public assistance, alimony, pensions, military reserve, contract-for-deed, rental income, unemployment compensation, etc.)

Applicant Name	Income Source	Annual Gross Income

If you own your own business, please contact the HousingResource Center for further instructions.

**IMPROVEMENTS**

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Briefly describe the proposed improvements: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Estimated Loan Amount: \$ \_\_\_\_\_

Who will be completing the work?  Borrower  Contractor

**SIGNATURES**

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I/We certify that the statements contained in this application are true and complete to the best of my/our knowledge and belief.

I/We have read and understand the Program Guidelines.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant's Signature

\_\_\_\_\_  
Date

Return completed application and other required materials to:

HousingResource Center, 3749 Cedar Ave S, Minneapolis, MN 55407

For information on additional programs offered in your community, please call 612-722-7141 or visit [www.gmhchousing.org](http://www.gmhchousing.org)

**ADDENDUM TO APPLICATION**

**Bancroft NRP**

Information for Government Monitoring Purposes

The information being requested below is for determining compliance with federal equal credit opportunity, fair housing and home mortgage disclosure law. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate on the basis of this information, or on whether you choose to furnish the information. If you choose not to furnish this information and you have made the application in person, we are required to note ethnicity, race and sex on the basis of visual observation or surname. Please check below if you choose not to furnish the information.

**DATE OF APPLICATION:** \_\_\_\_\_

APPLICANT	CO-APPLICANT
<b>APPLICANT NAME:</b>	<b>CO-APPLICANT NAME:</b>
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
<b>ETHNICITY:</b> (select only one ) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>ETHNICITY:</b> (select only one ) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>GENDER:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male	<b>GENDER:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male
<b>RACE:</b> (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial	<b>RACE:</b> (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial

\_\_\_\_\_  
**APPLICANT SIGNATURE**

\_\_\_\_\_  
**CO-APPLICANT SIGNATURE**

This Section For Lender Use	
<u>Greater Metropolitan Housing Corporation</u>	
Application received by: _____ mail _____ face-to-face interview _____ telephone _____	
Staff Name: _____	Date _____

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

## DATA PRIVACY ACT

In accordance with Minnesota Government Data Practices Act the Greater Metropolitan Housing Corporation (GMHC) is required to inform you of your rights regarding the private data collected from you.

Private data, collected from you or from other organizations authorized by you, is used to determine your eligibility for programs administered by GMHC. The use of private data we collect is limited to that necessary for administering programs and providing our services.

You may refuse to provide the requested information. If you do not provide the requested information, you may not be eligible for specific loans, grants or services.

Unless authorized by state or federal law, other government agencies using the reported private data must also treat the information as private. You may wish to exercise your rights as contained in the Minnesota Government Data Practices Act. These rights include:

- 1) The right to see and obtain copies of the data maintained on you
- 2) The right to be told the contents and meaning of data
- 3) The right to contest the accuracy and completeness of the data

I have read and understand the above information regarding my rights as a subject of government data.

Print Name \_\_\_\_\_

Print Name \_\_\_\_\_

Date: \_\_\_\_\_ Signature \_\_\_\_\_

Date: \_\_\_\_\_ Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Print Name \_\_\_\_\_

Date: \_\_\_\_\_ Signature \_\_\_\_\_

Date: \_\_\_\_\_ Signature \_\_\_\_\_

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

## AUTHORIZATION TO RELEASE INFORMATION

I have applied for a loan or grant through the Greater Metropolitan Housing Corporation (GMHC), at the HousingResource Center™. As part of the application process, employees of GMHC may verify information contained in my/our loan or grant application and in other documents required in connection with the loan. This verification process can be conducted either prior to closing or subsequent to closing, and may be performed either by employees of GMHC or by independent third parties, as a part of the origination, processing, underwriting, closing or quality control programs of GMHC.

I authorize you to provide to GMHC and to any investor to whom GMHC may sell my loan, to any servicer or any funder of the program for which I have applied, any and all information and documentation that they request. Such information includes, but is not limited to employment history, income; bank, money market and other financial account balances; credit history; copies of income tax returns and property information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Thank you

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
XXX-XX-  
Social Security Number – last 4 digits

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

NOTE: Use a separate form for each individual who is an applicant, guarantor or other individual whose information is considered in the application. Only one person signs each form.

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

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I have applied for a loan or grant through the Greater Metropolitan Housing Corporation (GMHC), at the HousingResource Center™. As part of the application process, employees of GMHC may verify information contained in my/our loan or grant application and in other documents required in connection with the loan. This verification process can be conducted either prior to closing or subsequent to closing, and may be performed either by employees of GMHC or by independent third parties, as a part of the origination, processing, underwriting, closing or quality control programs of GMHC.

I authorize you to provide to GMHC and to any investor to whom GMHC may sell my loan, to any servicer or any funder of the program for which I have applied, any and all information and documentation that they request. Such information includes, but is not limited to employment history, income; bank, money market and other financial account balances; credit history; copies of income tax returns and property information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Thank you

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Social Security Number – last 4 digits

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

NOTE: Use a separate form for each individual who is an applicant, guarantor or other individual whose information is considered in the application. Only one person signs each form.

## Subordination Disclosure

**City of Minneapolis**

105 5<sup>th</sup> Avenue South, Suite 200  
Minneapolis, MN 55401

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You are receiving or have received a loan from the City of Minneapolis. This loan is being closed in the name of the City of Minneapolis (City). If at some future date, you choose to obtain a new first mortgage or other financing that uses your home as security, there are some facts you should know about your City loan that may guide your decision.

The first fact you should know is that most, if not all, lenders will want their new mortgage to have as high a lien position as possible. If your new financing is a refinance of your current first mortgage, when your first mortgage is paid off, the City's loan along with any other financing automatically moves up in lien position and the new mortgage takes the lowest lien position on the title of your property. The only way for your new mortgage lender to obtain a first lien position is to either pay off the City's lien or request and obtain the City's approval to have its loan subordinated. Subordinated means that the City signs an agreement that says it will let its lien move to a lower lien position behind the new mortgage, which allows your new mortgage to move to a higher lien position.

The City will consider each subordination request subject to the *CITY'S SUBORDINATION POLICY* in effect at the time of the request.

The City will not consider a subordination request if any of the following conditions exist:

- ◆ New financing is an open-ended line-of credit
- ◆ Violation of Owner Occupancy requirement

**All loan subordinations should be approved by the City prior to the closing of the new financing. The City reserves the right to refuse any subordination request that does not meet the *CITY'S SUBORDINATION POLICY* in effect at the time of the request, or if the request is determined to not be in the City's best interest.**

There is a processing/review fee charged for each subordination request.

Borrower \_\_\_\_\_

Co-Borrower \_\_\_\_\_

Date \_\_\_\_\_

# Request for Transcript of Tax Return

(Rev. January 2011)

OMB No. 1545-1872

Department of the Treasury  
Internal Revenue Service

► Request may be rejected if the form is incomplete or illegible.

**Tip.** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return.	<b>2b</b> Second social security number or individual taxpayer identification number if joint tax return

**3** Current name, address (including apt., room, or suite no.), city, state, and ZIP code (See instructions)

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**4** Previous address shown on the last return filed if different from line 3 (See instructions)

**5** If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

**GMHC Housing Resource Center - South (612) 722-7141**  
**3749 Cedar Avenue S, Minneapolis, MN 55407**

**Caution.** If the transcript is being mailed to a third party, ensure that you have filled in line 6 and line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ► 1040

**a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . .

**b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days. . . . .

**c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days . . . . .

**7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days . . . . .

**8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2007, filed in 2008, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days . . . . .

**Caution.** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

**9 Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

12/31/2010                      12/31/2011                      \_\_\_\_\_

**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received *within 120 days of signature date*.

<b>Sign Here</b>	_____	_____	Telephone number of taxpayer on line 1a or 2a
	<b>Signature</b> (see instructions)	Date	
	_____	_____	
	<b>Title</b> (if line 1a above is a corporation, partnership, estate, or trust)		
	_____	_____	
	<b>Spouse's signature</b>	Date	

## A VALID CONTRACT

The HousingResource Center must have a valid written contract from the contractor(s) you choose to work on your home improvement project.

The contract must contain the following six items;

1. *Contractor's business name, business address & telephone/fax numbers.*
2. *Homeowner's name and project address.*
3. *Complete and detailed explanation of work, labor and materials.*  
*If materials are supplied by the homeowner, they must be noted in the contract.*
4. *Costs of total work with options costs separate.*
5. *Signature of contractor and date signed.*
6. *Blank space for homeowner to sign and date.*  
*The homeowner should not sign the contract until closing at the HousingResource Center*

Contracts that do not contain all six items, or are not legible, or do not contain enough information to determine the extent of work and materials will not be approved, they should be revised and resubmitted.

A Bid, Proposal or Estimate will be considered a valid contract if it contains all the items listed above.

Each contract you will actually use must be accompanied by a contractor signed acknowledgement. This "Contractor Acknowledgement" form is available at the HousingResource Center. Competitive or 2<sup>nd</sup> Bids, when required, do not have to have a "Contractor Acknowledgement".

Please contact the HousingResource Center for any questions on this matter.

**C O N T R A C T O R   A C K N O W L E D G E M E N T**

- 1. The Housing Resource Center (HRC) is the administrator of a housing program that may provide (if there is a Closing as defined below) some or all of the funds to pay for the construction work, in the form of a loan or grant or rebate to;

Print Homeowner's Name: \_\_\_\_\_

Print Project Address: \_\_\_\_\_

- 2. The contractor as named below (and subcontractors as applicable), are currently and shall be during the time of work, in full compliance with all State and local licensing and insurance laws, and a copy of the license certificate is attached hereto.
- 3. All work by the contractor as named below (and subcontractors as applicable) at the above project address shall be in full compliance with all current state and local building codes, zoning codes and any other applicable laws and regulations.
- 4. All necessary and required State and local construction permits shall be obtained and paid for by the contractor as named below. The contractor shall not direct or request the homeowner to pull the permit. Such permits shall be properly closed-off with proof thereof submitted to the homeowner or HRC. Such proof shall be in the form of either:
  - a. The original permit card or the inspector's business card signed/initialed and dated by the authorized inspector.
  - b. Request the authorized inspector to call the Housing Resource Center 612-722-7141 and leave a message as to the status of the permit. Note each inspector must be specifically requested to call.
  - c. The closed permit appears on the local inspection department computer or in their files.
- 5. The Housing Resource Center reviews all documents, as supplied by the homeowner and contractor, for conformance to the program guidelines. If all documents are in order the homeowner can Close on the funds by signing certain documents. Unless and until there is an official Closing the project is not approved for the program. The contractor is welcome to call the HRC to find out if there was a Closing.
- 6. Prior to the Closing the contractor shall submit to the homeowner a Contract for Construction and this Contractor Acknowledgement form, both properly filled out and signed.
- 7. The Contract (bid, proposal, estimate) must clearly and legibly contain each and every of the following six items;
  - a. Contractor's business name, address, phone and fax numbers.
  - b. Homeowner's name and project address.
  - c. Complete and detailed description of all proposed work including brand name materials/equipment with models, sizes, quantities, locations and warranties.
  - d. Total contract price and separate prices for options. Clearly state if cost of building permit is or isn't included.
  - e. Dated signature of the contractor.
  - f. Blank space for dated signature of the homeowner. Note the homeowner is advised not to sign the contract until closing.
- 8. The Housing Resource Center is not a party to the Contract nor subsequent changes if any, and the ultimate responsibility for payment of work completed is by and with the homeowner.
- 9. No work shall start prior to the Date of Closing. All work per the Contract, including close-off of all open permits and submittal of required paperwork, shall be completed within 120 consecutive days from the Date of Closing. The contractor should obtain a signed contract from the homeowner and find out from the homeowner or HRC the date of closing, to assure all work is completed within 120 days. Also allow for the homeowners 3 day right to cancel the contract.
- 10. Prior to release of any program funds the contractor must complete the work per the Contract and submit for HRC approval the following original items; a) Final Invoice showing the contractor's business name and address, the homeowner's name and project address, a brief description of the work for which payment is requested and all amounts paid and due; b) A valid Lien Waiver for the same amount as the invoice; c) Permits Closed with proof submitted per item #4 above; d) Contractor's and Homeowners's signatures on the HRC Completion Certificate form provided. In addition the release of funds is contingent on the HRC construction manager certifying that they have visited the site and observed the completed work.
- 11. The contractor as named below and any of its agents hereby states they have not and shall not collude, conspire or connive in any manner whatsoever to; a) Fix the price on the bid or contract or any element thereof. b) Submit a bogus or sham bid. c) Provide any unlawful incentive or advantage to any party of interest on this project.
- 12. Payments from program funds are for completed work and installed materials only, no funds are available for down payments. Two party checks are made out to both the contractor and homeowner, are delivered to the homeowner who is to countersign it and deliver it to the contractor.

Contractor's Business Name: \_\_\_\_\_ City/State License #: \_\_\_\_\_

As the owner or duly authorized representative of the contractor, I hereby acknowledge and understand items 1 thru 12 above.  
Contractor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_