

SHERIDAN NEIGHBORHOOD ORGANIZATION 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 (2nd 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**

SHERIDAN NEIGHBORHOOD REVOLVING LOAN PROGRAM

Program Overview: The Sheridan Neighborhood Organization (SNO) Revolving Loan Program is designed to supplement existing loan programs available from MCDA, MHFA, private lenders and other similar sources. Eligible work shall include repairs and replacement that will:

1. Improve the exterior and/or interior of the property
2. Reduce long-term maintenance and energy costs
3. Improve handicap accessibility

REVOLVING LOAN FUND (Owner-Occupied)

1. **Loan Pool Size:** Approximately \$100,000 of NRP funds for exterior and interior home improvements in the Sheridan neighborhood.
2. **Income Limit:** There are no annual household income limits for the revolving loan recipients.
3. **Interest Rate:** 4 % The first loan payments will be delayed up to 90 days from the closing date with no interest charge.
4. **Loan Amount:** Maximum loan amount is \$15,000 per property.
5. **Loan Term:** Generally, the term of the Revolving loan will be one year per \$1,000 borrowed. Thus the term will be flexible depending on the size of the loan. The maximum term will be ten (10) years.
6. **Debt - to - Income Ratio:** Applicants for the Revolving loan 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.
7. **Loan - to - Value Ratio:** Applicants who have a potential "loan-to-value" ratio in excess of 110% will be denied funding.
8. **Eligible Properties:** All properties must be located in the Sheridan neighborhood. All properties must be owner occupied and contain no more than 4 units. Properties with a condition of 6 or 7 rating by the City of Minneapolis Inspection Department are not eligible to receive funds.
9. **Loan Security:** All loans will be secured by a mortgage.

OTHER GENERAL CONDITIONS AND PROCEDURES:

1. **Underwriting Decision:** Loans will be approved or denied by GMHC based on a credit report, income verification and other criteria as outlined above. The applicant must be current on mortgage and property tax payments.

2. **Eligible Improvements:** Exterior and interior improvements, such as listed below, are permitted.
 - Painting: siding, garages, trim
 - Electrical: code compliance, update, and repair
 - Plumbing: code compliance, update, and repair
 - Structural and foundation problems
 - Stucco: repair or replace existing or install new
 - Siding: repair or replace existing or install new
 - Doors / Windows: repair or replace existing or install new
 - Roof: repair or replace existing or install new
 - Sidewalks: repair or replace or install new
 - Garages: repair or replace or install new
 - Driveways / parking pads: repair, replace or new construction
 - Retaining walls: repair, replace or new construction
 - Fences: install, repair or replace fences no higher than 48"
 - Decks: repair or replace or install new
 - Porches: repair or replace or install new
 - Permanent Landscaping: (up to 20 % of the NRP funds): trees, shrubs, grading, sod

3. **Ineligible Improvements:** Items which could be considered recreational or luxury projects (swimming pools, hot tubs, Jacuzzis, saunas, playground equipment, new fences), furniture, non-permanent (not built-in) appliances, and funds for working capital, debt service or refinancing existing debts are excluded. GMHC's decision on eligible improvements is final.

4. **Work by Owner:** Work can be performed on a "sweat equity" basis. Loan funds cannot be used to compensate for labor, only for materials. GMHC 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 the materials provider. When applicable, a signed city Inspection Department permit must be obtained by the borrower.

5. **Rehabilitation Counseling:** GMHC will be available to borrowers to advise them about proposed projects prior to obtaining bids and will be available to review bids for reasonableness. Sheridan Neighborhood Organization will pay for this service to be provided. Two Bids **must** be obtained for all projects.

6. **Loan Costs:** SNO will pay, from the NRP allocation, the loan origination fee. Borrowers will pay all filing fees, related closing costs and interest on the loan. Borrowers, if necessary, will be assessed a fee for submitting a late payment and/or a fee if a payment is returned to the servicer for insufficient funds. Borrowers will also pay a fee for the preparation of the Mortgage Satisfaction document – once requested by borrowers.

7. **Application Processing:** Loan applications will be submitted to GMHC and processed on a first-come, first-served basis.
8. **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.
9. **Work Completion:** Weather permitting, all work must be completed within 90 days of the loan closing.
10. **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.
11. **Custody of Funds:** Loan funds will remain in the custody of the GMHC until payment for completed work.
12. **Disbursement Process:**
 - a. Payment to the contractor (or owner) will be made after completion of the work. An inspection will be performed by the City and/or GMHC to verify the completion of the work.
 - b. The following items must be received before the funds can be released:
 - 1.) Final, original invoice from contractor (or materials list from supplier);
 - 2.) Completion certificate (s) signed by the borrower and the contractor;
 - 3.) Copies of all required city permits (also indicating final inspection by City)
 - 4.) Final inspection (verification) by rehabilitation counseling service (if necessary); and
 - 5.) Lien waiver(s).

Items 1. through 4. must be provided to the fiscal agent to begin the preparation of the check(s). Item 5. (Lien waver) must be provided before the funds will be released to the contractor(s).

13. **Sale of Loans:** Based upon a written request from SNO, plus written approval from the MCDA, GMHC will sell these loans on the secondary market and then originate additional loans from the net proceeds of the sale.

SHERIDAN NEIGHBORHOOD REVOLVING LOAN PROGRAM

Program Overview: The Sheridan Neighborhood Organization (SNO) Revolving Loan Program is designed to supplement existing loan programs available from MCDA, MHFA, private lenders and other similar sources. Eligible work shall include repairs and replacement that will:

1. Improve the exterior and/or interior of the property
2. Reduce long-term maintenance and energy costs
3. Improve handicap accessibility

REVOLVING LOAN FUND (Absentee Owner)

1. **Loan Pool Size:** Approximately \$200,000 of NRP funds for exterior and interior home improvements in the Sheridan neighborhood.
2. **Income Limit:** There are no annual household income limits for the revolving loan recipients.
3. **Interest Rate:** 4 % The first loan payments will be delayed up to 90 days from the closing date with no interest charge.
4. **Loan Amount:** Maximum loan amount is \$10,000 per property.
5. **Loan Term:** Generally, the term of the Revolving loan will be one year per \$1,000 borrowed. Thus the term will be flexible depending on the size of the loan. The maximum term will be ten (10) years.
6. **Loan Underwriting Cash Flow:** A Supplemental Income and Loss Statement, (Federal Income Tax Form 1040, Schedule E) must be submitted and show a positive cash flow on the property to be improved.
7. **Debt - to - Income Ratio:** Applicants for the Revolving loan 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.
8. **Loan – to – Value Ratio:** Applicants who have a potential "loan-to-value" ratio in excess of 110% will be denied funding.
9. **Eligible Properties:** All properties must be located in the Sheridan neighborhood. Properties cannot contain more than 4 units. Properties with a condition rating of 6 or 7 by the City of Minneapolis Inspection Department are not eligible to receive funds.
10. **Loan Security:** All loans will be secured by a mortgage.

OTHER GENERAL CONDITIONS AND PROCEDURES:

1. **Underwriting Decision:** Loans will be approved or denied by GMHC based on a credit report, income verification and other criteria as outlined above. The applicant must be current on mortgage and property tax payments.

2. **Eligible Improvements:** Exterior and interior improvements, such as listed below, are permitted.
 - Painting: siding, garages, trim
 - Electrical: code compliance, update, and repair
 - Plumbing: code compliance, update, and repair
 - Structural and foundation problems
 - Stucco: repair or replace existing or install new
 - Siding: repair or replace existing or install new
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 - Roof: repair or replace existing or install new
 - Sidewalks: repair or replace or install new
 - Garages: repair or replace or install new
 - Driveways / parking pads: repair, replace or new construction
 - Retaining walls: repair, replace or new construction
 - Fences: install, repair or replace fences no higher than 48"
 - Decks: repair or replace or install new
 - Porches: repair or replace or install new
 - Permanent Landscaping: (up to 20 % of the NRP funds): trees, shrubs, grading, sod

3. **Ineligible Improvements:** Items which could be considered recreational or luxury projects (swimming pools, hot tubs, Jacuzzis, saunas, playground equipment, new fences), furniture, non-permanent (not built-in) appliances, and funds for working capital, debt service or refinancing existing debts are excluded. GMHC's decision on eligible improvements is final.

4. **Work by Owner:** Work can be performed on a "sweat equity" basis. Loan funds cannot be used to compensate for labor, only for materials. GMHC 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 the materials provider. When applicable, a signed city Inspection Department permit must be obtained by the borrower.

5. **Rehabilitation Counseling:** GMHC will be available to borrowers to advise them about proposed projects prior to obtaining bids and will be available to review bids for reasonableness. Sheridan Neighborhood Organization will pay for this service to be provided. Two Bids **must** be obtained for all projects.

6. **Loan Costs:** SNO will pay, from the NRP allocation, the loan origination fee. Borrowers will pay all filing fees, related closing costs and interest on the loan.

Borrowers, if necessary, will be assessed a fee for submitting a late payment and/or a fee if a payment is returned to the servicer for insufficient funds. Borrowers will also pay a fee for the preparation of the Mortgage Satisfaction document – once requested by borrowers.

7. **Application Processing:** Loan applications will be submitted to GMHC and processed on a first-come, first-served basis.
8. **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.
9. **Work Completion:** Weather permitting, all work must be completed within 90 days of the loan closing.
10. **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.
11. **Custody of Funds:** Loan funds will remain in the custody of the GMHC until payment for completed work.
12. **Disbursement Process:**
 - a. Payment to the contractor (or owner) will be made after completion of the work. An inspection will be performed by the City and/or GMHC to verify the completion of the work.
 - b. The following items must be received before the funds can be released:
 - 1.) Final, original invoice from contractor (or materials list from supplier);
 - 2.) Completion certificate (s) signed by the borrower and the contractor;
 - 3.) Copies of all required city permits (also indicating final inspection by City)
 - 4.) Final inspection (verification) by rehabilitation counseling service (if necessary); and
 - 5.) Lien waiver(s).

Items 1. through 4. must be provided to the fiscal agent to begin the preparation of the check(s). Item 5. (Lien waver) must be provided before the funds will be released to the contractor(s).

13. **Sale of Loans:** Based upon a written request from SNO, plus written approval from the MCDA, GMHC will sell these loans on the secondary market and then originate additional loans from the net proceeds of the sale.



Sheridan Neighborhood Organization (SNO)

2001 Business Revolving Loan Program Program Guidelines

The Business Revolving Loan Program was developed by the Sheridan Neighborhood Organization (SNO) Business Committee with the hope of maintaining and/or improving the exterior of businesses located in the Sheridan Neighborhood.

Loan Pool: For 2001, there will be approximately \$100,000 available to business owners for zero interest improvement loans.

Program Overview: The program will provide zero interest loans for exterior improvements to business and commercial property owners in the Sheridan neighborhood.

Business Loan Amounts: The maximum loan amount is \$10,000. As funds allow, property owners may have more than one loan per property, but the cumulative total of all loans may not exceed the maximum loan amount of \$10,000 and must meet the "debt-to-income" ratios. Requests over \$10,000 will be considered on a case-by-case basis and must have the approval of the Board of the Sheridan Neighborhood Organization (SNO) at a public meeting.

Interest Rate: This is a zero interest loan program. The first loan payment can be delayed up to 45 days from the closing date.

Maximum Loan Term: To insure equal access to financing, terms will not exceed ten years or one year per \$1,000.

Eligible Properties: The program is open to only those properties that lie within the boundaries of the Sheridan Neighborhood. The property must be zoned commercial and/or be a non-homesteaded property. Renters applying for this loan must have an executed lease for the property being rehabilitated.

Eligible Improvements: Exterior aesthetic improvements are the only improvements allowed under the program. Permits must be obtained for all work when required by City ordinance and the work needs to be performed by licensed contractors. Suggested projects include:

- Painting: Exterior
- Siding/Stucco: Repair or Replace Existing
- Railings, Gutters and Downspouts: Repair or Replace Existing
- Frontage Improvements: Windows, Awnings & Entrances
- Parking Lot: Repair or Replace or New
- Signage & Lighting
- Sidewalks, Driveways and Steps: Repair or Replace Existing
- Permanent Landscaping & Irrigation

Ineligible Improvements: Ineligible improvements include, but are not limited to; new construction, additions or expansions, recreation or luxury projects, furniture, funds for working capital, debt service or refinancing existing debts. Any questionable improvements will be referred by GMHC to the Sheridan Neighborhood Organization for a final decision.

Underwriting Criteria: Business owners must submit the last three years of financial business statements, the last three years of profit and loss statements for the business where improvements will be made, or the last three years of the appropriate guarantor's personal federal income taxes. Guarantors who are signing for the business must have a personal "debt-to-income" ratio of less than 55% and also meet the suitable GMHC underwriting criteria as outlined below:

1. No outstanding judgments or collections.
2. Real estate tax payments must be current.
3. No defaulted government loans.
4. Mortgage (or contract for deed) payments must be current.
5. Generally, no more than two 60-day lates on credit report. Any 90-day late requires a document explanation and acceptable reasons; medical, unemployment, divorce.

Work by Owner: Work can be performed on a "sweat equity" basis. Loan funds can only be used for fully installed project materials and cannot be used to compensate for labor or purchase/rental of tools. GMHC will determine if the owner has the ability to complete the work competently and within the program time requirement. Materials must be purchased and installed prior to the disbursement of the loan proceeds. Proof of purchase is required for material reimbursement (original store receipt). Under unusual circumstances, a partial advance will be provided to borrower. In either situation, a two party check will be issued payable to both the borrower and the material provider. When applicable, a signed city Inspection Department permit must be obtained by the borrower.

OTHER GENERAL CONDITIONS AND PROCEDURES:

Applications for Funding: Applications will be accepted by the HousingResource Center on a first-come, first-served basis until all program funds have been committed. There will be a widely published beginning date for submission.

Detailed Applications: Applications must be submitted to GMHC before the project will be reviewed. Loan applications will include the following:

- a. A completed application form provided by GMHC, including a description of proposed work items and cost estimates;
- b. A copy of the commercial property's most recent property tax statement or an executed lease;
- c. A signed "Owner's Acknowledgement Form" (provided by GMHC);
- d. Proof of ownership of business to receive loan (copy of Articles of Incorporation)
- e. Proof of signing authority (copy of Articles of Incorporation or a letter from business attorney)
- f. Business' last three years of financial business statements, the last three years of profit and loss statements for the business where improvements will be made, or the last three years of the appropriate guarantor's personal federal income taxes.
- g. A signed "Data Privacy Statement and Consent Form" (provided by GMHC);
- h. A minimum of two bids on any projects in excess of \$5,000.00.

Rehabilitation Counseling: GMHC construction managers will be available for applicants to provide advice on proposed work, assist with the bidding process and help borrowers select the successful bidder(s).

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

Contractors & Permits: Contractors must be properly licensed by the State of Minnesota or the City of Minneapolis. Permits must be obtained when required by city ordinance.

Costs: The applicant for this program will pay the loan origination fee. Loan servicing costs will be paid out of the \$100,000 program funds. Borrowers will be required to pay late payment fees (at a rate of 5% of the normal, required monthly payment) and/or a \$25.00 fee for processing and handling any payments returned to the loan servicer due to insufficient funds.

Additional Funds: It is the borrower's responsibility to obtain the funds necessary to finance the entire cost of the work. The borrower is responsible for any costs in excess of the loan.

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

Disbursement Process: Payment to the contractor (or owner) will be made after completion of the work. An inspection will be performed by GMHC to verify the completion of the work and the City Inspections Department for permit abatement.

The following items must be received before the funds can be released:

- Final, original invoice from contractor (or invoice from materials supplier);
- Completion certificate(s) signed by the borrower and the contractor;
- Copies of all required city permits (also indicating final inspection by City);
- Final inspection (verification) by GMHC; and
- Lien waiver(s).

The first four items must be provided to GMHC to begin the preparation of the check(s). Checks will be made out to both contractor and owner. Lien waiver(s) must be provided before the funds will be released to the contractor(s).

Timeline:

SNO Adoption of Guidelines – August, 2001

GMHC begins accepting Applications – September, 2001

INCOME & EMPLOYMENT VERIFICATION

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

Briefly describe the proposed improvements: _____

Estimated Loan Amount: \$ _____

Who will be completing the work? Borrower Contractor

SIGNATURES

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

ADDENDUM TO APPLICATION

Sheridan 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
APPLICANT NAME:	CO-APPLICANT NAME:
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male	GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male
RACE: (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	RACE: (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

_____	XXX-XX-_____	_____
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.

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

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 5th Avenue South, Suite 200
Minneapolis, MN 55401

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 _____

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 2nd 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: