

The Minnetonka Home Enhancement Program

Application Process

The Tonka Home Enhancement Program is designed to help homeowners who own, occupy and have homesteaded a single-family detached home, duplex, condominium or townhouse. The funds may be used to make home improvements in the following categories: energy savings, code compliance, health and safety, and general home maintenance. To qualify for the program your gross household income cannot exceed:

Household Size	Household Income Limit
1	\$ 69,240
2	79,080
3	88,920
4	98,760
5	106,680
6	114,600
7	122,520
8	130,440

Please review the enclosed program guidelines. To apply for a loan through this program, carefully read and complete the attached forms and submit them with the requested documents (Nos. 7 through 15).

1. Application and addendum - attached
2. Authorization to Release Information form - attached
3. Data Privacy Act form - attached
4. Subordination Disclosure - attached
5. IRS 4506-T form - attached
6. Contractor Acknowledgment form - attached (to be signed by selected contractor)
7. Copy of Driver's License for all applicants
8. If you have purchased your home on a Contract for Deed, a copy of the Contract for Deed
9. If divorced, a copy of your Divorce Decree showing property settlement
10. Copy of 2 most recent pay stubs and all other sources of income for household members 18 years of age or older. If self employed, submit last 2 years Federal Income Tax Returns including all schedules.
11. Copy of last 2 years Federal Income Tax Returns including W-2's and all schedules
12. Copy of your most recent Mortgage Statement
13. Copy of your current Homeowner's Insurance Declaration Page and the name and contact information for your Insurance Agent
14. Copy of your Energy Audit report
15. Two bids for all work to be performed

See Reverse Side for More Information



Return the completed application packet to: Housing *Resource* Center - South
3749 Cedar Avenue South
Minneapolis, MN 55407

Applications will be funded on a first-come first-served basis until all of the funds have been exhausted. When all of the required application forms and documents are received, you will be sent a Good Faith Estimate and Truth in Lending form. At that time you must submit a \$65.00 non-refundable application fee. On receipt of the fee your application will be processed and you will be advised in writing of your eligibility for a loan.

If you have any questions, please call the Housing *Resource* Center at (612) 722 - 7141. We are here to assist you.





MINNETONKA HOME ENHANCEMENT PROGRAM

PROGRAM GUIDELINES

Overview: The City of Minnetonka is offering housing rehabilitation loans to homeowners within the city to assist them with home maintenance and energy improvements. Current available dollars for loans are based upon the fund balance for any given period.

Loan Amount: The maximum loan amount is \$15,000. Minimum loan amount is \$2,500.

Interest Rate & Loan Term: The interest rate is updated monthly on the first business day of each month of the calendar year and is 75% of the prime rate plus two points. At time of loan application, the borrowers' interest rate is fixed for the entire term of the loan.

The maximum loan term is 10 years. Generally the term will be one year for every thousand dollars borrowed.

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 in accordance with the City's loan subordination guidelines. Subordination requests are subject to the current subordination guidelines in effect at the time of the request.

Borrower Eligibility:

- a. **Debt to Income:** Borrower's gross monthly debts cannot exceed 50% of gross monthly income.
- b. **Credit:** Standard underwriting criteria apply including review of a credit report.
- c. **Income:** The total gross annual household income cannot exceed 120% of the area median income by household size as determined by the U. S. Department of Housing and Urban Development (HUD).

<u>Household Size</u>	<u>Income Limit</u>
1	\$69,240
2	\$79,080
3	\$ 88,920
4	\$ 98,760
5	\$106,680
6	\$114,600
7	\$122,520
8	\$130,440

- d. **Asset Limit:** Borrower may not own a second property. Borrower will be required to fill out a Declaration of Assets form. The maximum gross assets of the borrower, excluding the residential property to be improved and a retirement account that is or was subject to penalty for early withdrawal before the age of 59

½, shall not exceed \$25,000. Gross assets will generally be defined as: cash on hand, money in checking and savings accounts, cash value of securities or bonds, and recreational vehicles such as boats or snowmobiles.

Property Eligibility:

- Must be owner-occupied and homesteaded.
- Single-family detached homes; townhouses and condos subject to Association covenants.
- Taxable market value of home, as determined by Hennepin County for the year you apply for the loan, cannot exceed \$300,000.
- Mortgage payments, property taxes and hazard insurance must be current.
- First mortgage loan must be a fixed-rate loan
- Contract for Deed vendees may apply as long as the Contract for Deed has been filed with the County.
- Maximum loan to value, including the loan being applied for, cannot exceed 110% loan to value.

Underwriting Process: The HousingResource Center will determine applicant's eligibility based on the above criteria. Appeals can be made to the City of Minnetonka.

Eligible Improvements: General housing maintenance, mechanical improvements and green investments. Additions and home modernization may be approved by the City under certain conditions.

Green investments:

- Geothermal energy systems
- Tankless and on-demand water heaters
- Rain barrels

The City desires certain efficiency standards for general housing maintenance and mechanical improvements;

- Furnace: 90% AFUE
- Water heater: .64 energy factor
- Windows and doors: U factor ≤ .30

Ineligible Improvements:

- Recreational and luxury improvements, such as spas, swimming pools luxury types of appliances and bathtubs.
- Aesthetic improvements for beautification, such as new kitchen cabinets, new bathroom tiling, interior painting and carpeting, unless approved by the City.
- Working capital, debt servicing or refinancing costs.

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 HousingResource Center 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 for a loan closing to sign a Promissory Note, Mortgage and subordination disclosure.

Energy Audit: A basic home energy audit must be completed and submitted as part of the application. The purpose of the audit is to provide homeowners with an understanding of energy efficiency improvements that can be made in their home. The suggested improvements that may be made as a result of the audit are not required to be made by the homeowner as a condition of receiving the loan.

Loan Costs:

- Borrowers will be charged a non-refundable \$65.00 application fee after receiving loan disclosure forms. The cost of a credit report will be paid for from this fee.
- An Owners & Encumbrance Report will be ordered as part of the credit underwriting. The \$100 fee may be included in the loan amount or paid at closing.
- A recording fee of \$46.00 will be collected at closing.

Contractors & Permits: Contractors must be properly insured and licensed by the State of Minnesota when required. Contractors are responsible for following the EPA Lead-Based Paint Renovation, Repair and Painting requirements effective April 22, 2010, and are required to provide a copy of certification with project contract. Permits must be obtained when required by city code. Two bids are required for all work. The bids should be submitted with the application along with a Contractor Acknowledgement form completed by the selected contractor. Bids must be approved by the Housing Resource Center.

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 GMHC construction manager must determine that the owner has the ability to complete the work according to industry standards and within the program time requirements. The cost of purchasing tools and equipment and the delivery of materials are ineligible expenditures. Materials must be purchased and installed prior to the disbursement of 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. If applicable, a signed City Inspections Department permit must be obtained by the borrower.

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.

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

Disbursement Process: Loan funds will remain in escrow until payment for completed work. A construction manager will inspect the work prior to any disbursements. 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 signed by** each contractor.
3. **Completion Certificate** signed by each contractor and the borrower.
4. **Permits Closed.** Have the inspector sign the permit card.

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.

City of Minnetonka Tonka Home Enhancement Program

Housing Resource Center - South
3749 Cedar Avenue South
Minneapolis, MN 55407
Ph: 612-722-7141 Fax: 612-722-6367

IMPORTANT NOTE: Do not start any projects until the loan closing has been concluded. Any projects started without prior approval from the HRC will be ineligible for funding.

PLEASE READ THE ATTACHED PROGRAM GUIDELINES.

1. Applicant's Information

Applicant Name:	Co-Applicant: Name:
Social Security Number:	Social Security Number:
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Separated	Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Separated
Address:	Address:
City: State:	City: State:
Zip Code: How Long: (yrs.)	Zip Code: How Long: (yrs.)
Phone Number: (H) ()	Phone Number: (H) ()
Alternate Phone Number ()	Alternate Phone Number ()
Email:	e-mail:
Type of Dwelling: Single Family <input type="checkbox"/> Duplex <input type="checkbox"/> Condominium/Townhouse <input type="checkbox"/>	Energy Audit Report is Enclosed: <input type="checkbox"/> Yes <input type="checkbox"/> No

2. Household Information

(Please list the names of all residents in the household excluding applicant and co-applicant)

Name:	Birth Date	Relationship:	Student: Y/N	Social Security Number:	Income: (Yes or No)

Is anyone in the household disabled? Yes No

3. Scope of Work (Proposed Improvements)

Describe Proposed Projects	Cost (if known)

4. Income Information

Applicant's Employer:	Co-Applicant's Employer:
Address:	Address:
City: State:	City: State:
Business Phone: ()-	Business Phone: ()-
Type of Work or Position:	Type of Work or Position:
Number of Years Employed:	Number of Years Employed:
Amount per year: \$	Amount per year: \$

Other Sources of Income

Income Sources					Annual Total
Annual Amounts					

➤ You must enclose copies of all source of income that apply to your household:

- Employment:.....two recent consecutive pay stubs & Federal income tax return including W2's & schedules
- Self-employment:.....two years of Federal Income Tax Statements including Schedules C, E, or F and completed interim financial statement for year to date. Call the HRC if you have any question
- Social Security:.....current year's benefit statement,
- Pension & Annuity:.....award letter monthly pension or annuity amount
- Rental Income:.....two years of Federal Income Tax returns including Schedule E
- AFDC/MFIP:.....benefit statement
- Child Support:.....divorce decree and/or statement of benefits from applicable County.
- Foster Care:.....Statement of income from Hennepin County.

√ I/We certify that all information contained in this application is true, accurate and complete to the best of my/our knowledge and belief.

√ I/We hereby authorize the release of any information necessary for the Housing *Resource* Center to process this application.

√ I/We have read and understand the Program Overview and Guidelines.

√ Contractors must be licensed. Do not start the work, sign contracts, purchase materials nor give down payments prior to closing.

Applicant's Signature

Date

Co-Applicant's Signature

Date

➤ Both sides of this application must be filled out.

➤ Your application can not be processed without income verification and other supporting documentation.

➤ Any work started prior to program approval is not eligible.

ADDENDUM TO APPLICATION

Minnetonka Home Enhancement Program

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 (GHMC) 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 _____



SUBORDINATION DISCLOSURE

You are receiving or have received a loan from the City of Minnetonka that is in a subordinate lien position. 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 of Minnetonka loan that may guide your decision.

Most 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 of Minnetonka's loan and any other financing you have against your home automatically moves up in lien position. The new mortgage then 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 of Minnetonka's lien or to request and obtain the City of Minnetonka's approval to have its loan subordinated. Subordination means that the City of Minnetonka signs an agreement that says it will let its lien move to a lower lien position behind the new mortgage. This allows your new mortgage to move to a higher lien position.

The City of Minnetonka *will consider* a subordination request subject to the city's subordination guidelines in effect at the time of the request. These guidelines may change without prior notice.

All loan subordinations must be approved by the City of Minnetonka prior to closing on the new financing. The City of Minnetonka reserves the right to refuse any subordination request that does not meet the City of Minnetonka's subordination guidelines in effect at the time of the request or if the request is determined to be not in the City of Minnetonka's best interest.

Borrower's signature _____

Co-Borrower's signature _____

Date _____

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

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.

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAVS teams, send your request to the team based on the address of your most recent return.

Automated transcript request. 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.

Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
Florida, Georgia (After June 30, 2011, send your transcript requests to Kansas City, MO)	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 770-455-2335
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 559-456-5876
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	RAIVS Team Stop 6705 P-6 Kansas City, MO 64999 816-292-6102

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P. O. box, include it on this line.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note. If the address on Lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form, 10 min.; Preparing the form, 12 min.; and Copying, assembling, and sending the form to the IRS, 20 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

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: _____