



Shoreview Manufactured Home Improvement Loan Program
updated July 16, 2019

Loan Amount: The maximum loan amount is **\$10,000**. Minimum loan amount is **\$1,000**.

Interest Rate & Loan Term: The interest rate will be below market rate, and the monthly payment will be fixed. Maximum loan term is **10 years**. The interest rate will be set by the City of Shoreview. Loan is due upon sale of the manufactured home, transfer of title, refinance or if the property ceases to be owner-occupied.

Loan Security: All loans will be secured by a **lien** in favor of the City of Shoreview. The loan may be secured in a subordinate lien position behind other loans in accordance with the City's loan subordination policy.

Personal Property Agreement: Owner to execute an agreement upon closing prohibiting the removal of the personal property (i.e. Manufactured home) from the City until the loan is paid in full.

Borrower Eligibility:

1. **Credit:** Standard underwriting criteria apply including review of a credit report.
2. **Debt to Income Limit:** Borrower's gross monthly debts cannot exceed 50% of gross monthly income.
3. **Current on Debt Payments:** Borrower(s) must be current on any ongoing debt payments.
4. **Income Limit:** The borrower(s)' total gross annual household income cannot exceed 120%* of the Shoreview median household income, as follows:

Persons in Household	Income Limit
1	\$ 84,000.00
2	\$ 96,000.00
3	\$ 108,000.00
4	\$ 120,000.00
5	\$ 129,600.00
6	\$ 139,200.00
7	\$ 148,800.00
8	\$ 158,400.00

**Calculated using 2019 HUD Area Median Income Data*

Property Eligibility:

- Residential unit must be a manufactured home located in the City of Shoreview.
- Residential unit must be owner-occupied.
- Properties that are governed by an active Homeowner’s Association must receive written approval for planned exterior improvements in accordance with the guidelines of this loan program and association by-laws and/or covenants.

Eligible Improvements: Work shall include repairs and replacements that will:

- Correct local or state code deficiencies, health and safety items
- Improve the structural components of the unit (roof, exterior wall, floor trusses)
- Energy related improvements (windows, insulation, heating), thereby reducing long term energy costs.
- Improve accessibility

Ineligible Improvements:

Landscaping, exterior site improvements, interior finishes such as flooring, countertops, wall/floor repair, recreational/luxury improvements, working capital, debt service or refinancing of existing debts.

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.

Homeowner Association By-Laws & Covenants: Loan applicants from single-family attached or zero lot line detached homes with an active Homeowner’s Association will be required to provide written approval from Homeowner’s Association certifying the exterior improvements to be funded through this loan program are permissible under governing by-laws and/or covenants of the association.

THE CITY OF SHOREVIEW AND REPRESENTATIVE AGENCIES ASSOCIATED WITH THE ADMINISTRATION OF THIS PROGRAM ARE NOT LIABLE OR RESPONSIBLE FOR ANY VIOLATIONS OF ASSOCIATION BY-LAWS AND/OR COVENANTS BY THE APPLICANT FOR IMPROVEMENTS UNDERTAKEN THROUGH THIS LOAN PROGRAM.

Application Process: Completed applications will be processed by NeighborWorks 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.

Loan Costs: Borrowers will be charged a credit report fee at time of application. The title policy fee may be financed through the loan. The recording fees will be paid by the borrower 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 work that exceeds \$5,000. Borrowers must attain required bids and can seek assistance from NeighborWorks in this process.

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 NeighborWorks 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. When applicable, a signed building 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 with NeighborWorks until payment for completed work. The following items must be received before the funds can be released:

1. **Final Invoice** from each contractor showing all amounts paid and due.
2. **Lien Waiver signed by** each contractor.
3. **Completion Certificate** signed by each contractor and the borrower.
4. **Permits Closed.** Have the inspector sign the permit card.
5. **Final Inspection.** Approval by the Shoreview EDA

Homeowners are required to attain and submit the above required documentation. It may take up to 10 business days after receipt of above items to prepare checks.

Program Disclaimer: The City of Shoreview and the Shoreview EDA maintain the right to at any time to change or discontinue the Shoreview Home Improvement Loan. The potential changes may impact the maximum/minimum loan amount, loan term, interest rate, and/or qualifications for borrower, property and improvement eligibility.