



## Home Improvement Loan Program Rehab Loan Program Guidelines

### 1. Program Summary:

- **The Bloomington Rehab Loan** offers a low interest rate to Bloomington owner-occupied households, who do not have the ability to obtain a conventional loan. The overall goal of this Program is to improve the safety, livability and energy efficiency of owner-occupied one and two unit housing within the City, prioritizing low and moderate income owner households.

### 2. Loan Amount:

- Loan amount is up to \$50,000 which can include an additional \$10,000 for accessibility.

### 3. Eligible Use of Loan Funds:

- The Bloomington Home Improvement Loan program provides Bloomington owner-occupied households with the ability to access funds to maintain, repair and improve their home.
- These loans are intended to support the upkeep of homes and may only be used for approved repairs.
- Example projects include but not limited to:
  - Repair or replacement of exterior finishings
  - Energy efficiency upgrades
  - Repair or replacement of driveway and sidewalks
  - Accessibility improvements

### 4. Loan Terms:

- Two percent (2%) simple interest for the first ten (10) years of the loan term.
- No monthly payment.
- Repayment of the loan required if the property is sold, no longer homesteaded, refinancing occurs with a cashout, or the loan reaches term (30 years).

### 5. Eligible Borrower:

- Bloomington owner-occupant with qualifying interest in eligible property.
- Income qualification not exceeding 80% of the current Department of Housing and Urban Development Area Median Income (HUD AMI) standards. Exceptions up to 100% HUD AMI may apply but must be able to document denial for a conventional loan.
- Assets of the applicant must not exceed \$150,000 in liquid funds for homeowners under the age of 55. Gross assets of homeowners aged 55 and above, must not exceed \$250,000.

### 6. Eligible Property:

- Single-family (attached or detached), townhome or condominium within city limits of Bloomington.
- Owner Occupied.
- Must be current on mortgage and property tax payments.
- A clear second lien position.
- Primary place of residence as determined by homestead property status
- Subject home value must not exceed assessed value of \$500,000



**7. Loan Security:**

- This loan will be separately secured by a Repayment Agreement.
- No title insurance is required.
- No mortgagee clause is required in the owner's hazard insurance policy.
- Loan may be subordinating during refinancing for a rate reduction or reduction of with approval from the HRA.

**All loans must comply with the administrative procedures outlined in the Program Manual. For more information, visit [BLM.MN/Rehab](http://BLM.MN/Rehab)**