



## Home Improvement Loan Program

### Housing & Environmental Loan Program Guidelines

**1. Program Summary:**

- **Housing & Environmental Loan Program (HELP)** provides Bloomington income qualifying owner-occupied households the ability to access forgivable loan funds to be used for emergency repairs without completing a full-scale rehabilitation project and signing a long-term repayment agreement.

**2. Loan Amount:**

- Loan amount is up to \$9,999.

**3. Eligible Use of Loan Funds:**

- A condition requiring immediate and urgent attention, which threatens or imperils the health and/or safety of the property and its occupants, such as:
  - Emergency health and safety.
  - Public sewer and water hook-up.
  - Major structural work, where the home's structural integrity (i.e. foundation, beams, walls and roof) is compromised and is in need of prompt repair to prevent further damage or deterioration to the home.
  - Major internal systems (i.e. plumbing, heating, water, electrical) that are functional but need replacement or upgrading under current code requirements.
  - Other code violations as noted by City enforcement and/or building inspectors.

**4. Loan Terms:**

- Zero percent interest with no monthly payments
- Loan is forgiven at a rate of 1/36<sup>th</sup> over three (3) years of occupancy as primary residence by borrower.
- The mortgage may be subordinated as part of a refinance of the primary loan. These loans are considered a "Special Mortgage" under the terms of Minnesota Statutes Section 58.13.

**5. Eligible Borrower:**

- Bloomington owner-occupant with qualifying interest in an eligible property.

**6. Eligible Property:**

- Single-family (attached or detached), townhome or condominium within City of Bloomington that has either:
  - A "Red flagged" plumbing, heating and/or electrical system by a utility company.
  - Orders of violation and requirement for immediate repair of health and/or safety items by City of Bloomington Environmental Health and/or Building and Inspections divisions. There must be a direct referral from the issuing department to the Bloomington HRA.

**7. Loan Security:**

- This loan will be separately secured by a short-term Repayment Agreement.
- This loan may be secured in a subordinate lien position.
- No title insurance is required.
- No mortgagee clause is required in the owner's hazard insurance policy.

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