

Minnesota Urban and Rural Homesteading Program

Summary of Available Assistance and Application

Three Rivers Community Action, Inc. with funding through Minnesota Housing is working in communities throughout southeastern MN providing housing to eligible homebuyers with a unique financing package. Three Rivers is rehabilitating existing housing and selling to Borrowers who agree to follow a “good neighbor” policy via an interest-free contract for Deed.

Monthly payments of principal, taxes and insurance are based on the household income and do not exceed 25 % of the gross household income. By taking the interest out of the loan, the buying power of the household is increased giving the Borrower more bang for their buck. Currently, three Rochester homes are slated for rehabilitation and applications for purchase will be accepted spring of 2009. Purchase price is determined by appraised value, to be determined after rehabilitation is completed.

Individuals are eligible to be Borrowers only if individuals are:

- Homeless; or
- Receiving public assistance; or
- Otherwise lacking the ability to meet traditional mortgage industry underwriting standards;

- And must be First Time Homebuyers (not owned a home in the past three years)

Application Procedure

1. Complete Part 1 and Part 2 of Homebuyer Application
2. Submit completed application with supporting documents to:

Three Rivers Community Action, Inc.
C/O Housing Dept
1414 North Star Dr.
Zumbrota MN 55992

3. MURL Neighborhood Committee will review all applications and rank them based on the following criteria:

- Category 1** Income less than 60% of the area median income
- Category 2** First Time Homebuyer (have not owned a home within past 3 yrs)
- Category 3** Currently pay more than 30% of income on rent/mortgage
- Category 4** Currently live in substandard or crowded housing
- Category 5** Household with single parent household, disabled household, and/or household of color.
- Category 6** Currently works in the Rochester area
- Category 7** Currently lives in the Rochester area

4. A buyer will be selected to purchase the home and work with Three Rivers to provide additional required loan documents prior to final approval. In the event that the candidate is unable to qualify, an alternate household will be moved into first position for purchasing the home.
5. All decisions by Three Rivers Community Action, Inc. are final
6. Questions? Call Three Rivers Community Action, Inc. at 1-800-277-8418 ext 106 for Barbara Dolan.

Other Information:

2008 Income Limits

Household Size	Olmsted County	Balance of State(outside metro)
1 Person	\$31,900	\$29,600
2 Person	\$36,400	\$33,800
3 Person	\$41,000	\$38,000
4 Person	\$45,500	\$42,200
5 Person	\$49,200	\$45,600
6 Person	\$52,800	\$49,000
7 Person	\$56,500	\$52,400
8 Person	\$60,100	\$55,800
9 Person	\$63,700	\$59,100
10 Person**	\$67,400	\$62,500

All buyers will be required to complete the Home Stretch homeownership class prior to closing. For information on current classes available, visit the Homeownership Center at www.hocmn.org

In order to process the application, the following documents *must* be included:

- Part 1 and part 2 of application (signed by both applicant and co-applicant)
- Copy of your pre-qualification/denial letter from a lender
- Copy of your last three years Tax Return
- Copy of one month pay stubs (for all wage earners over the age of 18)
- Copy of 2008 W-2s (for all wage earners over the age of 18)
- Copy of Social Security Award letter if applicable
- Copy of two months bank statement for all checking and savings accounts of applicant and co-applicant
- Names, addresses and phone numbers of three personal references that are not related.

Please be sure to send only copies of the documents, all documents received will be retained at Three Rivers Community Action, Inc.

Three Rivers Community Action, Inc. Application part 1

Applicant's Name: _____ **Age** _____ **Co-Applicant's Name:** _____ **Age** _____

Race: American Indian/Alaska Native Asian White
 Black/African American Native Hawaiian/Pacific Islander

Ethnic Code: Hispanic/Latino Not Hispanic/Latino

Marital Status: Married Separated
 Unmarried (Divorced Never Married)

Address: _____

Social Security #: _____

Home Phone #: _____

Work Phone #: _____

Employer: _____

Address _____

Gross Monthly Income: _____

****PLEASE USE MOST RECENT MONTHS PAY STUBS**** (Gross wage income is BEFORE taxes and other deductions, If self-employed use the net self-employment)

Other Monthly Income: _____

Please specify source of income (Includes MFIP, food stamps, Social Security, MSA, Child Support, Alimony, and Unemployment)

Assets: Checking Account Balance: _____ Savings Account Balance: _____
 Stocks, Bonds, CDs, IRA, or 401K: _____ (please specify)

Dependants (Names & Ages): _____

Monthly Child Care Expenses: _____

Monthly Debt: (Includes all outstanding debts with balances)

	<u>Monthly payment:</u>	<u>Outstanding Balance:</u>		<u>Monthly payment:</u>	<u>Outstanding Balance:</u>
Car loans	_____	_____	Credit Cards	_____	_____
Personal Loans	_____	_____	Real Estate	_____	_____
Alimony Paid	_____	_____	Child Support Paid	_____	_____
Student Loans	_____	_____	Medical Bills	_____	_____
Other:	_____	_____			

Monthly Housing Expense: (Rent) _____ (Includes Utilities/ Does Not Include Utilities)
 PLEASE CIRCLE ONE

Have you been working with a lender? Name and Phone number _____

I learned of Three River's program through: _____

Comments: _____

Send Completed application to: Three Rivers Community Action, Inc. 1414 North Star Drive, Zumbrota MN 55992
 PHONE (507) 732-8506; FAX (507) 732-8547



For Office Use Only		
Date Rec'd	_____	Point Total
Verification Letter Sent	_____	Final Notification Sent
Entered in System	_____	

Minnesota Urban and Rural Homesteading Program

Home Buyer Application – Part 2

Selection Questionnaire

Name of Applicant(s) _____ Date _____

Please respond to the questions below. Questions will be evaluated and then rated based on the responses given. A score will then be given for each applicant, based on the criteria below:

- Category 1** Income less than 60% of the area median income
- Category 2** First Time Homebuyer (have not owned a home within past 3 yrs)
- Category 3** Currently pay more than 30% of income on rent/mortgage
- Category 4** Currently live in substandard or crowded housing
- Category 5** Household with single parent household, disabled household,
and/or household of color.
- Category 6** Currently works in Rochester area
- Category 7** Currently lives in Rochester area

Applicants will be evaluated on the following questions.

1. Please state your annual family gross income. Please provide W-2 form(s) to validate this.

2. Have you ever purchase a home before? If so, how many different homes have you purchased in the past? When did you sell your last home?

3. What are you currently paying for rent or mortgage per month? If you are paying a mortgage, also include your escrow in this amount.

4. Describe your current living conditions.

5. Where are you currently living? How long have you lived in this community?

6. Where are you currently employed? How long have you worked there?

7. How many household members under the age of eighteen are in your household?

8. Please explain to the housing initiative committee, why you believe you are the best candidate for this home.

Combined Tennessee Warning and Privacy Act Notice for Grants and Deferred Loans

Private data requested to enable processing of your application is legally required to determine if you qualify for participation in this Minnesota Housing Finance Agency (MHFA) program and to help MHFA manage the program.

Financial information, such as credit reports, financial statements and net worth calculations, is classified as private data on individuals by Minnesota Statutes 462A.065. You are not required to provide this information, but if you refuse to provide it, we will be unable to determine your eligibility for this program and approve your application. The information will be shared with the Minnesota Housing Finance Agency (MHFA) staff, its loan servicers and contractors whose jobs require them to see it. Where access to the data is authorized by state statute or federal law, it may be made available to others as so authorized.

Your Social Security Number (SSN) is classified as private data by Minnesota Statutes 13.355. However, if you apply for a Minnesota Housing Finance Agency program, disclosure of your SSN is mandatory, as provided by the following authorities: (1) Title 42 of the United States Code, Section 405(c)(2)(C)(i), which permits the state to require disclosure of your social security number to establish your identity for purposes of administering tax laws of the state; and, (2) Minnesota Statutes, Sections 270A.01 to 270A.12, which established the Revenue Recapture Act, enables the state to collect delinquent debts owed to it by capturing tax refunds and other payments that you may otherwise be entitled. Section 270A.04, subdivisions 3 and 4, require the disclosure of a debtor's social security number for this purpose.

If you disclose your SSN, MHFA may share it with the Commissioner of the Minnesota Department of Revenue and the Minnesota Attorney General for the purposes of debt collection under the Revenue Recapture Act. If you do not disclose your SSN, you will not be eligible for this assistance.

Disclosure of your SSN for the purposes of verifying your income and credit is voluntary. However, if adequate verification of your income and credit is impossible without your SSN, we may be unable to determine your eligibility.

Signature: _____ Date _____

Signature: _____ Date _____

Thank you for taking the time to fill out this application. As soon as the committee has met and evaluated each applicant, you will be notified whether or not you have qualified for this home. All decisions by Three Rivers Community Action, Inc. are final.

MURL Program “Good Neighbor” Policy

Three Rivers Community Action, Inc.

Eligible homebuyers must agree to and meet and maintain “Good Neighbor” Policy standards as developed and defined by Three Rivers Community Action, Inc. in cooperation with the MURL Advisory Board for the Designated Area and MHFA as defined below:

1. The eligible homebuyer will demonstrate responsible tenancy in their present residence. To the degree that each household member establishes conditions such as: all households members give appropriate action to assist and care for and maintain the property and appliances; continued sanitation practices; and upkeep of all utilities.
2. The eligible homebuyer will provide personal references (not relatives) who can attest to the family’s honesty, integrity, and ability to get along with other people in the community.
3. The eligible homebuyer will supply an education and/or employment history that shows motivation, responsibility, stability, and which provides an indication of attitude towards homeownership.
4. The eligible homebuyer must be free of drug usage, demonstrate ability and willingness to keep the property grounds free of abandoned vehicles and waste, and abide by local nuisance ordinances.
5. The eligible homebuyer will notify Three Rivers Community Action, Inc. of any household income changes (increase or decrease) as the changes occur.
6. The eligible homebuyer will provide voluntary support to other MURL projects both formally and informally.