

Hutchinson HRA
Application Instructions For A Minnesota Housing Finance Agency
FUF/ CFUF Home Improvement Loan

Thank you for your interest in applying to receive a MHFA Home Improvement Loan. You will need to submit to the HRA the following: credit application, authority to release form, a copy of your most current property tax statement and all verifications of income that pertains to you, signed Primary Use of Property Certification, along with bids and estimates for the work you plan to have done to you home.

The following is a guide for what needs to be submitted.

1. Credit Application: (enclosed)

Complete both sides, sign and date (all household residents over the age 18 that have income must sign). Please do not leave any questions unanswered.

There is a \$15.00 cost fee for a credit report. Please include the \$15.00 with your application. Applications will NOT be processed until the fee has been received by the HRA. Please make payment out to the Hutchinson HRA.

2. Authority to Release Information: (enclosed)

Both applicant and co-applicant must sign and date.

3. Property Tax Statement:

A copy of your most current statement. This is used to verify that you have at least 1/3 ownership interest.

4. Market Analysis from a Realtor

5. Warranty Deed or contract-for-deed for your home.

6. Income Verifications:

Please submit all required information that pertains to your household's source of income.

- For Salary or Regular Wages: enclosed is a Verification of Employment Form. Please complete the section that asks for your employer's name, address and phone number as well as your name. Your employer is to complete the other section. Return the form to the HRA to be forwarded to your employer.
- Interest or Dividends: From the most two recent calendar years, copies of 1099 Forms or Federal Tax Form 1040.
- Seasonal Employment: Copies of the most recent two years W-2 Forms & 1099 forms; or Federal Tax Form 1040, if this is the only source of income
- Self Employment: Sole Proprietorship or Farm Operation: Copies of the two most recent years federal income tax returns; Form 1040, Schedule C (for sole proprietorship, Schedule F (farm operation) or Form 8829 if you operate a business out of your home.
- Self Employment: Partnership: Copies of two most recent federal income tax returns; Form 1040, Schedule E, Form 1065 K-1 or from the U.S. Partnership Return of Income Form 1065.
- Self Employment: S-Corporation: Copies of the two most recent federal income tax returns; Form 1040, Schedule E, Form 1120S K-1, W-2 or 1099 form or form the U.S. Small Business Income Tax Return Form 1120S.

- Rental Income: Schedule E from the most recently file federal income tax returns, or a copy of the rental agreement if the rental property is a new purchase.
- Child Support or Alimony: A copy of the divorce decree and a Six month history verifying that the income is received such as cancelled checks, bank deposit records or county disbursement printout.
- Contract for Deed Income: A copy of the contract of deed and evidence that the income is received such as cancelled checks or bank deposits.
- Social Security: Copies of a current check or a current bank deposit or the award letter received at the start of each calendar year.
- Education Grants/Scholarships: Copies of Grant Award Letters for grants or scholarships paid directly to the Applicant not to include Education Loans.

7. Signed Primary Use of Property Certification (enclosed)
Both applicant and co-applicant must sign and date.

8. Copy of Your Current Mortgage Statement

9. Copy of Your Home Insurance Policy

10. Bids and Estimates for all proposed work:

- Enclosed is Consumer Information to assist you in choosing contractors and obtaining bids.
- A Contractor Warranty will need to be executed upon your choice of contractor(s), before the loan closing.

Please return all required forms, bid estimates, copies of all sources of income and \$15.00 credit report fee to:

Hutchinson HRA

111 Hassan St. SE, Hutchinson, MN 55350

Phone (320) 234-4251 Fax (320) 234-4240

When we receive the requested items, we will evaluate you application based on your income, credit history, the eligibility of your proposed home improvements and your ability to repay a loan based on our underwriting standards. *We will notify you of your qualifications for the loan.*

NOTICE: The Hutchinson HRA will sell your loan to the Minnesota Housing Finance Agency (MHFA) when your loan is approved, closed and the funds have been disbursed to you. By the time your first payment is due, MHFA will provide you with their payment instructions.

Fees that can be charged to borrower (but not financed by loan proceeds)	* \$15 credit report fee * Mortgage/document recording fees - ~\$92	* \$15 credit report fee * Mortgage/document recording fees - ~\$92
Fees that can be financed by loan proceeds	Loan Origination Fee - 1% of Loan Amount	Loan Origination Fee - 1% of Loan Amount
	Title & Lien Search - \$25	Title & Lien Search - \$25
	Loan Document Preparation Fee - \$50	Loan Document Preparation Fee - \$50
		Rehab advising fee
		Budget counseling fees

Thank you for using our services in obtaining a home improvement loan.