



Neighborhood Impact Program A Home Improvement Partnership between Gate City Bank and City of Moorhead

Gate City Bank and the City of Moorhead are partnering to encourage preservation of the City's existing housing stock by providing low-interest loans and technical assistance to homeowners for major home improvement projects. **Applications are reviewed on a first-come, first-served basis limited by fund availability.** For additional information, please contact Gate City at 701-298-2802 or Neighborhood Services at 218-299-5434.

Program Goals:

- Address housing safety
- Prevent deferred maintenance and property deterioration
- Preserve the character of older neighborhoods
- Invest in the City's affordable housing stock
- Reverse or slow the trend toward conversions of single family homes to rental property

Program Priorities:

The proposed housing rehabilitation should preserve the integrity of the house and add to the long-term value and life of the property and the neighborhood.

- Health and safety code deficiency correction
- Accessibility modifications for persons with disabilities or frail elderly households
- Structural improvements
- Weatherization and energy efficiency
- General home improvements

Eligible Improvement Costs:

Funds may be used to correct existing code deficiencies, structural deficiencies, weatherization, accessibility, and general property improvements. All code issues must be addressed as part of the improvement project. Loans are available to finance new improvements not yet under construction.

Rehabilitation work must include at least one of the following:

- Foundation work (drain tile, bracing, new foundation)
- Major exterior improvements (siding, roofing, windows)
- Addition of bedroom or new living space
- Major interior remodeling or replacement of major mechanical systems (furnace, electrical system)
- Conversion of rental unit to owner-occupied home

Eligible Households:

Participating households must meet Gate City's credit standards for repayment of the improvement loan. Household adjusted gross income may not exceed 100% of the F-M Area median income, which is **\$65,600 in 2008**; however, for owners of homes built prior to 1970, the income restriction is waived.

Eligible Properties:

- Located within the City of Moorhead municipal boundaries
- Outside of the 100-year flood plain
- Owner-occupied one or two unit residences (if there is a second unit, it must be a registered rental unit)
- Current on property tax, special assessment, and utility obligations

Terms of Loan Assistance:

- 4.90% fixed interest, repayable over 10 years (The fixed rate will be evaluated by Gate City Bank every 6 months and is subject to change for new applicants.)
- Minimum loan value \$10,000; maximum loan \$40,000
- Maximum loan-to-value 110%

Program Responsibilities:

- **City of Moorhead:**
 - Upon Homeowner completion of pre-application and payment of \$50 processing fee, inspect property for property eligibility
 - Conduct construction inspections (initial and final)
 - Provide technical assistance to homeowner and Gate City as needed
 - Approve payment requests from the Homeowner and submit to Gate City
- **Gate City:**
 - Upon City of Moorhead property evaluation, accept loan application and determine borrower eligibility
 - Conduct the loan closing
 - Process disbursements upon receipt of approved payment requests from the City
 - Service the loan
- **Homeowner:**
 - Complete the loan application with Gate City
 - Submit scope of work to the City for approval
 - Obtain bid(s) from licensed contractors for work requiring same under building code regulations. Provide the City copies of the contractor license and liability insurance policy
 - Complete the improvement project as agreed within 6 months of project start date unless an extension is granted by Gate City
 - Review and sign payment requests
- **Contractor:**
 - Provide homeowner a copy of their Minnesota Contractor's license and liability insurance policy to submit to the City
 - Complete the improvement project within 6 months of the project start date
 - Obtain approval from homeowner and City for payment requests
 - Provide lien waivers to homeowner upon completion of work