Faribault County Residential
Rehabilitation Grant/Deferred Loan Program
Application Instructions

Thank you for your interest in applying for the Faribault County Local Housing Trust Fund Rehabilitation Grant Program. To ensure your application is processed quickly this information sheet has been created to assist you in submitting your application. We ask that you read this information sheet thoroughly and follow all instructions contained within it.

Eligibility Requirements - In order to qualify for this program applicants must meet the following criteria:

- **Ownership** – The applicant must own or be purchasing property within Faribault County. Life Estates, Trusts and Reverse Mortgages are not eligible. Contracts for Deed may or may not qualify dependent on ALL owner's income.
- **Occupancy** – Owner occupies the home to be improved as their principal place of residence. The owner must have owned and resided in property for at least 6 months before the work starts.
- **Eligible Repairs** – Repairs that are permanent and necessary are eligible. Examples include roofing, siding, windows and other health and safety issues. Additions are not allowed.
- **Property Mortgage** – Owner must be current with Mortgage (if applicable)
- **Property Taxes** – owner must be current with property taxes at the time of application and throughout the duration of the loan.
- **Insurance** – The owner must have property insurance in place for the full term of the loan.
- **Maximum Loan Amount** – The maximum loan for this program is $15,000. There is no match required.
- **Income** – Owner's income must fall under the most current Faribault County 80% Median Income (AMI) limits. See below for more information.

2026 Gross Income Limits for Faribault County*

Household Size	80% of AMI
1	$54,900.00
2	$62.750.00
3	$70,600.00
4	$78,400.00
5	$84,700.00
6	$90,950.00
7	$97,250.00
8	$103,500.00

How This Process Works

This funding is what is known as a deferred loan. The funding will be loaned as a 0% deferred loan. The deferred loan requires no monthly payments and no interest will accrue if the property does not change ownership within ten (10) years. This deferred loan will be forgiven at the rate of 50% after 5 years and will revert into a grant if the property does not change ownership within the ten (10) year period. Resulting in no funds needing to be paid back to the County.

Housing Repair Process

The program will follow the guidelines as set forth below:

- **Application** – The applicant will need to complete a full application for the program that requires proof of property ownership, verification of income, and other eligibility requirements.
- **Application Ranking** – All applications submitted that are complete, signed, and accurate and include all requested supporting documents will be ranked as per the day they arrive. County staff will review the application for verification of eligibility based on a ranking system. Qualified applications will be served and awarded on a first-come, first-served basis.

- **Repayment Agreement** – The owner shall enter into a repayment agreement with the Faribault County Economic Development Authority to accept the conditions of the loan. The repayment agreement will be filed at the Faribault County Recorder's Office.
- **Proceed to Work** – Once the application is approved and all required forms are signed the applicant will be notified. Only then may work begin on the project. **NOTE:** Any work completed prior to full authorization will not be reimbursed.
- **Work** - All work shall be completed in compliance with all relevant codes and zoning requirements as stated by the jurisdiction the work is being completed in. The applicant or contractor shall obtain building permits before work has begun and shall comply with all building inspector requirements throughout the process.
- **Payments** – Payments to the contractor can be made on a full or partial basis as each contractor's work has been completed. One partial payment is allowed. In order to receive payment, the contractor must submit a lien waiver, a billing statement, and a signed completion certificate with a signed final inspection by the local building official or their designee.
- **Project Completion** – Upon completion, a final inspection by a building inspector will be done and the project will be closed.

<u>Required Documentation for the Application</u>

- A copy of the most recent IRS Form 1040 demonstrating annual income. A 1040 form is required for each working household member residing in the home at the time of application. Please redact all sensitive information, including Social Security numbers.
- Copies of recent estimates or quotes from licensed contractors for the work that funding is being requested.
- A copy of the Warranty Deed for the property to verify ownership.
- If applicable, a copy of the most recent mortgage statement confirming that all mortgage payments are current. **Note:** Applicants are required to maintain compliance with all required mortgage payments for the duration of the loan.
- A copy of the most recent property tax receipt from Faribault County confirming that all property taxes are paid and current. **Note:** Applicants are required to be up to date on all property tax payments for the duration of the loan.
- A copy of the current property insurance policy. **Note:** Applicants are required to maintain property insurance for the duration of the loan.