ABOUT THE IMPACT FUND (IF) GRANT: HFH-MN has been awarded funding from Minnesota Housing's Impact Fund Program (IF) each year for the last 8 years. The IF application is written on behalf of Greater MN affiliates that fit MN Housing’s criteria for funding. The average grant is $15,000 per unit. Final amount per unit based on number of eligible families and level of other sponsorships. Eligible families must be a single headed household OR of an ethnic and/or racial minority OR a household with a disabled family member. Eligible household income earns up to 60% of AMI defined by Minnesota Housing Impact Fund Income guidelines (note: not adjusted for family size). Repayment: Each IF grant is secured with a second mortgage on the homeowner’s property that is forgiven on the maturity date matching the first mortgage term.

***PLEASE NOTE, the total mortgages cannot exceed appraised market value.***

PRE-QUALIFICATION MATERIALS

The following materials must be submitted to Habitat Minnesota at minimum 30 days prior to your anticipated closing with the homeowner(s). If you have any concerns or questions regarding eligibility, please feel free to contact Habitat Minnesota to review the pre-qualification guidelines and process.

CONSTRUCTION COST WORKSHEET AND ITEMIZED ACCOUNTING SPREADSHEET

Please use the Construction Cost Worksheet to categorize all costs of the home (cash and in-kind). In addition, provide a supporting spreadsheet, preferably from the affiliate’s accounting system, with a detailed accounting for all cash expenditures, plus in-kind materials, in-kind professional labor and land acquisition costs. The spreadsheet should include the names of all professional contractors that provided labor and materials for the home, paid or in-kind.

- Construction Cost Worksheet categorizing all costs of the home, cash and in-kind
- Itemized cost spreadsheet (including in-kind material and in-kind professional labor). This should reconcile with the above Construction Cost Worksheet.
- Land Acquisition Settlement Statement. The settlement statement should match the costs in your worksheet and the accounting detail. If the land was donated, please provide a warranty deed to support the donation.

APPRaisal

A copy of the market value property appraisal is required.

HOUSEHOLD DEMOGRAPHICS

- Homeowner and Property Data Worksheet
- Habitat for Humanity Homeowner Application
- Privacy Notice (Please have this signed and dated at the same time as your Homeowner Application)
INCOME VERIFICATION

The verification of household income is a very important element of qualifying for the grant funds. The affiliate must independently verify the homeowner’s income, including the income of any household member over the age of 18 living in the home. *ALL SOURCES OF INCOME, EARNED AND UNEARNED, MUST BE VERIFIED*

In order to assure compliance with our grant funder’s guidelines, HFH-MN staff will review the household income and provide the affiliate with a Household Summary Form to be signed by homeowners at or before closing. Your affiliate is responsible for underwriting the mortgage and pricing the home per HFH-I and your affiliate’s policies.

IMPORTANT: HFH-MN income verification review can be done as early as after Family Selection. Please note, we are reviewing for need under the grant program guidelines, not for affordability to repay the mortgage. We will still need all pre-qualification documents to fully approve the project but the income review can often be time consuming and could potentially delay the closing if appropriate documentation had not previously been obtained.

Please submit the following Income Verification Documentation:

- A copy of the homeowner’s most recent full Federal Tax Return
- Provide ONE of the two following items to verify each adult’s wage income:
  1. Written employer verification of employment *(Fannie Mae VOE is preferred)*
  2. Three (3) consecutive pay stubs with sufficient data to determine Year-To-Date income. *Each paystub must have Start Date, End Date, Check Date, Regular/Base Hours, Base Pay Rate, Overtime, Other Income, Gross Wages and YTD Amounts*
- Child support received for the most recent 12 months, verified by the County *(if applicable)*
- Social Security Income (SSI) and/or Social Security Disability Income (SSDI) benefit letter including the date, name of recipient, and monthly amount *(if applicable)*
- To document self-employment income, please provide the most recent two years of their FULL Federal Tax Returns including all schedules *(if applicable)*
- Any other applicable cash income source must be verified (Bank Verification, IRAs, Retirement, Unemployment, etc) *(if applicable)*
- Certificate of Zero Income *(if applicable)*

TITLE INSURANCE POLICY FOR THE IF 2nd MORTGAGE

IMPORTANT: Your affiliate is required to order a Title Insurance Policy in the name of the Lender, Habitat for Humanity of Minnesota, Inc. for the second mortgage that reflects good and marketable fee simple title in the name of the homeowner and the First, Second and Third Mortgages properly recorded.

EVIDENCE OF HOMEOWNER'S PROPERTY AND LIABILITY INSURANCE COVERAGE

IMPACT FUND COMMITMENT DOCUMENTS

Once your application has been approved, HFH-MN will complete and send you the following documents to be signed by your affiliate and by the homeowner(s):

Impact Fund
- Impact Fund Second Promissory Note
- Impact Fund Second Mortgage
- Impact Fund Loan Disbursement, Priority and Subordination Agreement
- Truth In Lending (TIL) Statement for the IF second mortgage subordinate financing. The TIL Statement should be given to the homeowner(s) with the early disclosures, the final disclosures and again at closing for final signatures.
**MATERIALS TO SUBMIT AFTER THE CLOSING**

- Household Income Summary Form – Signed by homeowner(s)
- Purchase Agreement – Signed by homeowner(s)
- Loan Disbursement, Priority and Subordination Agreement *(ORIGINAL – Mailed to HFH-MN)*
- First Mortgage Promissory Note *(Copy)*
- First Mortgage with County Recording Information *(Copy)*
- Second Mortgage Promissory Note *(ORIGINAL – Mailed to HFH-MN)*
- Second Mortgage *(ORIGINAL with County Recording Information – Mailed to HFH-MN)*
- Third Mortgage Promissory Note *(Copy)* – if applicable
- Third Mortgage with County Recording Information *(Copy)* – if applicable
- Closing Disclosure and Subordinate Mortgage TIL statements *(copy with homeowner(s) signatures)*
- Processing Fee: 10% of the total grant amounts made payable to Habitat for Humanity of Minnesota. This fee helps cover the costs of applying for the FHLB and Minnesota Housing IF grants for affiliates