

# Multifamily Preservation Programs

Contact your local administrator to apply today and visit [www.mnhousing.gov](http://www.mnhousing.gov) to learn more:

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## Rental Rehabilitation Deferred Loan

# Program Reference Guide

for Owners and Housing Professionals



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## Improve Your Affordable Rental Property with Help from Minnesota Housing

*We want to help you sustain affordable housing options in your community for years to come. If you own a small or midsize rental property in Greater Minnesota, there's now an affordable option to help you make important improvements and repairs to your building.*

*The Minnesota Housing Rental Rehabilitation Deferred Loan (RRDL) provides **zero interest** deferred loans of **up to \$300,000** through local administrators around the state.*

### Features and Benefits

- Zero interest deferred loan
- Flexible loan terms
- Up to 10% loan forgiveness for qualified owners and 100% forgiven for qualified 1-4 unit buildings
- Simple application process

### Borrower Eligibility

- Individuals, developers, nonprofits, units of government and tribal housing corporations
- Individuals, sole proprietorships and legal entities:
  - Minimum equity requirements: 3%
  - Minimum credit score: 640
  - Assistance available from local administrator
- Limited partnerships and corporations:
  - Compatible with existing commercial debt
  - Meet minimum credit worthiness and financial requirements

### Property Eligibility

- Single family, duplex, and larger permanent residential rental housing
- Tenant maximum gross annual income of \$62,000 (subject to change)
- Fifty-one percent of floor space used for residential rental purposes
- Meet minimum financial feasibility and selection requirements

*Note: RRDL cannot be combined with funds from the Minnesota Housing Consolidated RFP for 5 years.*

### Loan Amount and Terms

- Up to \$25,000 per unit; \$35,000 for single family and duplex units
- Maximum loan of \$300,000 per project
- Term of 10-30 years based on loan amount
- End loan or construction loan
- Five percent forgiven each year over final two years of the loan term (if requirements are met each year)

### Eligible Improvements

- Permanent general improvements that have not been started prior to loan closing
- Renovations or repairs to an existing structure that preserve or improve the basic livability, safety or utility of the property
  - Roof
  - Windows
  - Boilers and mechanical systems
  - Energy and water saving improvements
- Must be in compliance with all applicable health, fire prevention, building and housing codes and standards, and the *Minnesota Housing Abbreviated Design Standards and Sustainability Requirements for Limited Scope Rehabilitation Projects*



*“The RRDL Program provides multiple benefits to both participating rental businesses and to the community. It saves money and energy, and the savings stimulate further investments in rental improvements and growth.”*

*- Arrowhead Economic Opportunity Agency, RRDL Administrator*