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Equal Opportunity Housing and Equal Opportunity Employment

2014 Flood Recovery Activities Status

Rental Housing Vacancies in the affected areas: Renters who have been displaced by the flooding can find information on affordable rental housing vacancies nearby at www.housinglink.org.

Financial Assistance for damaged homes: Once the presidential declaration of disaster area is made financial assistance will be offered under conditions similar to when there is an SBA declaration and specific disaster recovery appropriations.

- A home improvement loan, amortizing with an interest rate of 3% will be available to any flood victims whose home has been damaged and the costs of repair are not covered by insurance. The maximum loan amount is \$50,000.
- If the flood victim does not qualify for new debt or the amount they qualify for is not enough to cover all of the costs, a deferred, forgivable loan will be available. The maximum amount of this loan is \$20,000. The loan is forgiven after 10 years of living in the repaired home.
- No income limits will apply for either type of assistance.
- We will work with organizations that are able to make both types of loans to conduct outreach and process the loans so that flood victims will not have to go to multiple lenders.
- The interest rate on a home improvement loan will be subsidized to bring it down from 5.99% to 3%.

Estimates of Needed Funding: We have approximately \$1.8 million in a Disaster Relief Contingency Fund that can be made available for presidentially declared disaster areas. These funds will be used to subsidize the interest rate and to fund the forgivable loan. (Repayments of loans made in previous disaster recovery efforts are deposited into the contingency fund.) The information we have suggests that most of the homes fall into the affected category. Based on this information we believe that the current balance in the Disaster Relief Contingency Fund will be sufficient.

As properties dry out, homeowners may discover more extensive damage than originally estimated.

Success Story: A five foot section of the foundation wall of the home of low-income, disabled homeowner in LeSueur collapsed on June 21st due to the rains and flash flooding and another large portion of the foundation wall is weakened and threatening collapse. The collapsed wall contained the gas meter, so the city shut off the gas to the home. Minnesota Housing approved an emergency loan of \$15,000 which will be forgiven after 15 years. The loan amount is sufficient to cover the costs of repairing the foundation walls.