



What is the Disaster Recovery Loan Program (Disaster Recovery)?

Disaster Recovery provides loans to help homeowners and certain landlords repair or replace homes affected by natural disasters. Disaster Recovery loans are provided when private insurance and federal assistance are inadequate to return a home to its pre-disaster condition.

Limited funding is currently available for homes affected by the floods and tornadoes in May through June 2022, located in the following counties:

Central Minnesota: Benton, Cass, Crow Wing, Douglas, Grant, Mille Lacs, Morrison, Otter Tail, Pope, Stearns, Stevens, and Todd

Northeast Minnesota: Beltrami, Itasca, Koochiching, Lake of the Woods, and Saint Louis

How much assistance will this program provide?

Up to **\$25,000** per property. In limited circumstances, borrowers may receive more than \$25,000 if there is documented need for additional resources.

The total loan amount will be the difference between (1) the amount necessary to repair a home to its condition before the disaster and (2) the amount of any insurance proceeds and funds received from SBA. Borrowers must accept the maximum federal assistance loan offered by the Small Business Administration (SBA) before Disaster Recovery can be used.

Who is eligible to receive a Disaster Recovery Loan?

Homeowners who occupy the property as their primary residence and landlords of single family homes (1-4 unit properties). Rental properties must offer rents affordable to the local workforce. Renters are not eligible for the program.

What types of properties are eligible?

The property must be a residential dwelling and includes the following:

- a single family detached home
- duplex | triplex | four-plex
- twin home
- townhome
- condominium
- an eligible unit in a Planned Unit Development (PUD)
- manufactured home on a permanent foundation, or
- a manufactured home in a manufactured home park

What are the eligible uses of the loan?

The loan must be used for improvements to return a home to its pre-disaster or comparable condition or to replace an owner-occupied home destroyed as a result of the disaster.

Are there income limits for this program?

No.

What are the terms of the loan?

Disaster Recovery loans are deferred, forgivable, 0% interest loans. No principal or interest payments are made during the term of the loan. The loan will be forgiven in 10 years as long as the owner-occupant borrower continues to own and occupy the home as the borrower's primary residence, or the landlord borrower continues to own and rent the property at rental rates affordable to the local workforce for the full duration of that period. The loan is due and payable upon transfer of title within the 10 years of the loan term.

What is the process for obtaining a loan?

1. First, apply to SBA for a Home Disaster Loan. Contact SBA for more information:
 - Call the SBA Customer Service Center at 800.659.2955. For services for individuals who are deaf, hard of hearing, or have a speech disability, please dial 7-1-1.
 - Email disastercustomerservice@sba.gov
 - Visit www.sba.gov/disaster
 - Apply online at <https://disasterloanassistance.sba.gov/ela/s>
2. Apply for a Disaster Recovery loan with the administrator serving your county (see below). Provide the following information:
 - SBA loan application information and status
 - Insurance information and amount of approved proceeds
 - Documentation of damage costs/estimates (e.g., inspections, insurance assessment, contractor bids, etc.)

Is there a deadline to apply for funding?

The Disaster Recovery deadline is **January 31, 2023**.

Where do I apply?

For Central Minnesota Contact:

Douglas County Housing & Redevelopment Authority

1224 North Nokomis Street Northeast

Alexandria, MN 56308

Contact: Jon Ford, jon.rehab@douglascountyhra.org or 320-762-3848

For Northeast Minnesota Contact:

Arrowhead Economic Opportunity Agency

702 3rd Avenue South

Virginia, MN 55746

Contact: Beth Davis, beth.davies@aeoa.org or 218-750-4458

In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.