



TCF HOME IMPROVEMENT LOAN APPLICATION INFORMATION AND GUIDELINES

The Bancroft Neighborhood Association (BNA) has contracted with TCF National Bank, to originate and service a revolving loan pool of up to \$400,000 of home improvement loans in Bancroft. This program utilizes \$145,000 of Bancroft's Neighborhood Revitalization Program (NRP) funds.

What are the loan terms?

Loans may be between \$2,500.00 and \$15,000.00 at a 3% fixed interest rate for homesteaded property owners and at 6% for non-homesteaded property owners. All loans will be secured by a mortgage on the property to be improved. The borrower will pay closing costs (substantially reduced for this program), but closing costs may be financed with the loan. These are home equity loans, and loan amounts cannot exceed 100% of the properties' value.

Who is eligible for the loans?

Any property owner in Bancroft may participate. TCF Bank will qualify you based on guidelines developed for this program by TCF and the BNA. Property owners who do not qualify for a TCF loan based on the program guidelines may qualify for other loan options through a partnership the BNA has established with the Greater Metropolitan Housing Corporation. However, the TCF loan program is the BNA's primary home improvement loan program and most applicants will need to first apply for the TCF program.

What projects qualify?

All permanent interior and exterior projects are eligible for this loan program, with the exception of projects deemed "luxury items for the Bancroft Neighborhood." These would include in-ground pools, hot tubs, and garages over 576 square feet and luxury landscaping. Each project will be evaluated by the BNA before referral to TCF Bank.

Can I do the work myself?

Yes, sweat equity projects are allowed. However, you may only take out a loan for materials only. The loan check will be issued jointly to you and the building material supplier(s).

How does my contractor get paid?

After you close on your loan, check(s) will be issued jointly to you and your contractor(s). These are not to be signed over to the contractors until after project completion. Contractors must be licensed by either the State of Minnesota or the City of Minneapolis. Necessary permits must be obtained and signed off on by the city. It is the homeowner's responsibility to ensure these facts. Projects are to be completed within 120 days after closing and a completion certificate signed by homeowner and contractor must be submitted to the Bancroft neighborhood Association. The BNA will inspect projects, not to guarantee work quality, but to verify that funds were used appropriately. Please discuss this with contractors from whom you solicit bids, so that they are comfortable with these arrangements.

How do I begin?

Begin obtaining bids for your project from licensed contractors. The BNA recommends obtaining two bids. To verify a contractor's state license, call 651-284-5034. To discuss problems or complaints regarding a state licensed contractor, call 651-296-2488. To verify a city license contact City Licensing at 612-673-2080. You will need a written contractor's bid at the time of application. Fill out the attached Referral Certificate listing the contractor(s) you have selected and their license numbers and mail or deliver it to:

The Bancroft Neighborhood Association
4120 17th Avenue South
Minneapolis, MN 55407

If our office, located in Bethel Evangelical Lutheran Church, is closed, you may leave the form in our mailbox in the church office, or put it through the mail slot. The BNA will review the project to ensure it complies with general program guidelines (i.e. property is located in Bancroft and there are no luxury improvements), and fax the referral to TCF. TCF will contact you to begin the loan application process. Most or all of the application can be done over the phone. If approved, arrangements will be made by TCF to close on the loan. All payments will be made to TCF Bank. Call the BNA at 612-724-5313 with questions. If you have questions for TCF, call Bill Sarvela at 612-661-7736.

What is the BNA and who makes these decisions regarding housing programs?

The BNA is you! Persons living in the Bancroft neighborhood volunteer their time to participate in the BNA Community Council to make decisions regarding this use of our NRP funds. We welcome any residents with ideas to better this program or introduce new ideas related to improving housing in Bancroft. The Community Council meets the second Thursday of each month at 7:00pm at Bethel Evangelical Lutheran Church, 4120 17th Avenue South.

With each Bancroft Loan, we ask you donate 5 volunteer hours toward the Bancroft Neighborhood Association project, committee, and/or board meeting of your choice. See enclosed list of volunteer opportunities.

Bancroft Home Improvement Loan Program Referral Certificate

Name(s): _____

Address: _____

Address of property to be improved (if different from above):

Is the property homesteaded? ___ Yes ___ No If not, why? _____

Day Telephone: _____ Evening Telephone: _____

Best time and number to be contacted by TCF Bank: _____

Project(s)

Cost

TOTAL COST: _____

Contractor (s) or Suppliers

State and/or Minneapolis City License #

This project meets the BNA Community Council's guidelines for qualifying improvements. TCF may proceed with the loan application.

BNA Representative

Date