

Conditional Loan Amount: \$ Loan Amount *

Prior Minnesota Housing Disaster Recovery Loan
(if applicable) Loan Amount: \$ _____

BORROWER(S)

[Borrower Full Name 1][Before Borrower 2][Borrower Full Name 2][Before Borrower 3][Borrower Full Name 3][Before Borrower 3][Borrower Full Name 4]

PROPERTY ADDRESS

[Property Full Address] in [Property County] County

*NOTE: The actual loan amount at time of closing may be lower or higher than this amount (up to a maximum loan amount of \$25,000.00) depending upon the Administering Agency's final determination of recovery resources allowed and Borrower's prior Disaster Recovery Loan, if any, from the Minnesota Housing Finance Agency.

The [Lender Name] ("Administering Agency") hereby notifies the above named Borrower and Co-Borrower, if applicable (collectively, the "Borrower"), of conditional approval of your application for a Disaster Recovery Loan Program (the "Loan") for the above-referenced property ("Property"):

This Conditional Loan Commitment is subject to the following terms and conditions:

- Application.** The information in the application form submitted by Borrower, attached hereto as Exhibit A, must be complete, true and accurate.
- Eligible Property.** The Property must qualify as an eligible Property. Eligible Properties are set forth in the Disaster Recovery Loan Program Procedural Manual.
- Eligible Borrower.** The Borrower must satisfy all of the requirements to qualify as an Eligible Borrower. The requirements for qualifying as an Eligible Borrower are set forth in the Disaster Recovery Loan Program Procedural Manual. Among other things, Borrower is not eligible if Borrower has received a buyout or mitigation funds that are funded, in whole or in part, with Minnesota Housing Finance Agency money.
- Minnesota Housing Approval.** This Conditional Loan Commitment is contingent upon the issuance of an individual commitment by Minnesota Housing to the Administering Agency under the Disaster Recovery Loan Program and compliance with all applicable program requirements.
- Principal Amount of the Loan.** The original principal amount of the Loan shall not exceed the lesser of either (1) \$25,000.00 or (2) the amount of money needed to complete the rehabilitation or to replace the Property, as determined by the Administering Agency. The term "amount needed to complete the rehabilitation or to replace the Property" means the difference between the amount of money needed to return the Property to its pre-disaster, or comparable, condition or, in the alternative, to replace the Property destroyed by the disaster, and the total amount of money received from, or determined to be committed to Borrower by, the Federal Emergency



Management Agency, the Small Business Administration and Borrower's insurance company for damage to the Property. The total amount of loans that Borrower may receive under the Disaster Recovery Loan Program shall not exceed \$25,000.00.

6. **Interest Rate for the Loan.** The interest rate for the Loan shall be zero (0) % per annum.
7. **Repayment of Loan.** The Borrower(s) must maintain the Property as either a principal residence or single family rental for the duration of the Loan. If a principal residence, the Borrower(s) must own and occupy the Property for ten (10) consecutive years. If a single family rental, the Borrower(s) must maintain the Property as a rental for ten (10) consecutive years.

If the Borrower ceases to own and occupy the Property as Borrower's principal residence, or, in the alternative, to own the Property as a single family rental property, for ten (10) consecutive years after the date of the Disaster Recovery Loan Program Note ("Note") associated with the Loan, or Borrower fails to fully and completely comply with the terms and conditions contained in the Note, Disaster Recovery Loan Program Mortgage ("Mortgage") or Disaster Recovery Loan Program Note and Mobile Home Security Agreement ("Agreement"), as applicable, associated with the Loan, then the entire amount of the Loan is due and payable within thirty (30) days of such event.

8. **Forgiveness of Loan.** If the Borrower(s) maintain the Property as either an owned and occupied principal residence or as a single family rental property for ten (10) consecutive years after the date of the Note and fully complied with the terms and conditions contained in the Note, Mortgage and Agreement, as applicable, associated with the Loan, then the entire amount of the Loan will be forgiven.

Borrower(s) are advised that Loan forgiveness may have adverse tax consequences such as being considered taxable income. The Borrower(s) are advised to consult with an attorney or tax advisor before signing this document.

9. **Use of Loan Proceeds.** Borrower shall use the proceeds of the Loan only to rehabilitate the Property in order to return the Property to its pre-disaster, or comparable, condition or, in the alternative, to replace the Property destroyed by the disaster. Eligible uses of the Loan Proceeds are set forth in the Disaster Recovery Loan Program Procedural Manual.
10. **Closing of the Loan.** As a requirement before the Loan can close, each of the following documents or items shall be delivered to the Administering Agency. The documents or items must be true, accurate, and in a condition that is readable and understandable. The Administering Agency has sole discretion to accept or reject a document.
 - A. A fully completed and executed Minnesota Housing Finance Agency Disaster Recovery Loan Program Note, Disaster Recovery Loan Program Mortgage, and Disaster Recovery Loan Program Note and Mobile Home Security Agreement, as applicable.
 - B. Evidence that Borrower possesses the necessary ownership interest in the Property.
 - C. Documentation of the total amount of financial assistance received from, or determined to be committed to Borrower by, the Federal Emergency Management Agency, the Small Business Administration and/or Borrower's insurance company for any disaster-related damage to the Property.
 - D. Any and all additional documents, instruments, or information that the Administering Agency may reasonably request.



11. **Assignment or Transfer of Conditional Loan Commitment.** This Conditional Loan Commitment may not be assigned or transferred.
12. **Term of Conditional Loan Commitment.** This Conditional Loan Commitment shall terminate on the earlier of (i) the closing of the Loan, or (ii) the ____ day of _____, 20____, unless this Conditional Loan Commitment is renewed or extended by the Administering Agency in writing.
13. **Effectiveness of Conditional Loan Commitment.** This Conditional Loan Commitment shall not become effective unless Borrower returns the original hereof to the Administering Agency, with acceptance endorsed thereon by the party or parties indicated below, no later than the ____ day of _____, 20____.
14. **Mutual Enforceability of Conditional Loan Commitment.** This Conditional Loan Commitment shall be mutually enforceable by either party hereto, and either party hereto may apply to the appropriate Minnesota state court for specific performance of the provisions and requirements contained herein, and for such other relief as may be appropriate.

By the acceptance of this Conditional Loan Commitment by the placing of Borrower's signature hereon, Borrower agrees that the Administering Entity will not be required to close the Loan until Borrower has supplied all of the information and documentation required hereby.

ADMINISTERING AGENCY

By: _____

Executed and issued on the ____ day of _____, 20____.

The Conditional Loan Commitment and the requirements contained therein are accepted this

____ day of _____, 20____.

Borrower's Signature

Co-Borrower's Signature



EXHIBIT A
APPLICATION

SAMPLE

