



Cityliving Mortgage Program

Purchase/Rehab and Refinance/Rehab

Welcome to the City of Saint Paul's Purchase/Rehab Refinance/Rehab Program. This program was designed to provide one mortgage at a long term fixed interest rate. It's a special program that involves some extra steps not usually required in other mortgage programs. This diagram will help lead you through the process from application to final payment to contractors.

VENDOR OUTREACH PROGRAM

The City of Saint Paul is committed to maximizing contracting opportunities for Small Business Enterprises (SBEs), Minority-owned Businesses (MBEs), and Woman-owned Businesses (WBE) through the Vendor Outreach Program. While we encourage homeowners to solicit proposals from Vendor Outreach contractors, we do not require that you do so. You may employ any contractor you choose provided the contractor is licensed by the State of Minnesota. The City of Saint Paul does not assume any responsibility for the performance of any contractor.

A directory of certified vendors is available at www.govcontracts.org. There are (2) Construction Directories on the left side of the screen - click on either one. If you have additional questions, you may contact Stephanie Selb, Vendor Outreach Program at 651-266-8904 or stephanie.selb@ci.stpaul.mn.us

STEP 1

You've found the home for you and you have the purchase agreement OR you have made the decision to refinance/rehab your current home.

Using a general contractor saves time- Competitive bids from general contractors save money!

STEP 2

Now obtain preliminary bids from state licensed contractors (call 651/296-6319 to verify state license). * Sorry-sweat equity not allowed.

Contractor must provide Commercial General Liability Insurance Certificate of not less than \$1,500,000 per occurrence.

STEP 3

Now call a loan officer to make an appointment for application. You will pay application fees and will receive a Good Faith Estimate of closing costs.

Now is the time to start looking into home owners insurance for your new home or upgrade your current insurance policy to cover your new mortgage.

STEP 4

Your rehab advisor inspects the property, reviews your plans, gives you a list of the repair items that must be included in construction. You, your contractor and rehab advisor finalize the scope of the work.

Sometimes the contractor may need to prepare drawings to obtain the building permit.

STEP 5

Your rehab advisor requests all required paperwork from your contractor. A 10% to 20% contingency is required for unforeseen problems. Your rehab advisor will determine this amount.

Loan officer's credit file in process

STEP 6

The loan officer orders the after-rehab appraisal based on finalized scope of work.

STEP 7

When the loan officer receives the appraisal, the appraisal and your credit file are sent to the program underwriter.

STEP 8

The loan officer gets the approval from the underwriter and prepares for the loan closing at the Title Insurance Company.

Loan Closing

This is when you start making payments on your new mortgage.

STEP 9

Seller/mortgage company is paid off. The Title Insurance Company opens an escrow account with your rehab loan money.

Rehab advisor inspections are required before each payment to your contractor.

STEP 10

After your rescission period expires and documents are recorded, we send your contractor notice to proceed to work and information on your construction deadline dates. Your project begins.

Ten percent of each payment is withheld until the project is completed.

STEP 11

When the final inspection has been made, your contractor receives the final payment from the escrow account.

Any loan money that has not been spent is applied against the loan balance of your new mortgage.

Congratulations!

Thank you for choosing Saint Paul. We hope you enjoy your new improved home.



CITY OF SAINT PAUL
Department of Planning
and Economic Development

651/266-6712

