



# MN NAHRO 2022

From Application to Completion – Moving Rehab  
Files Forward in Difficult Times

John Schommer, Brainerd HRA

Mark Hanson, Dakota County CDA



# The Problems

- Long project completion times can jeopardize the health of individual rehab programs.
- Unmotivated applicants can create additional work if they don't compile documentation in a timely manner.
- Mental Health issues can make the process seem insurmountable for borrowers.
- Contractors not completing work items in a timely manner.

# Things We Can't Control (Mostly)

- Lack of contractors
- Long completion times
- Supply chain issues

# Things We Can Attempt to Control

- Homeowners who lack the ability, time and determination to get things done. Successful projects require commitment and effort on the part of the Rehab staff, contractor, and homeowner.

# What We Can Do

- Policy Changes
  - Establish set lengths of time applicants have to complete certain steps.

D. Once the CDA has approved the eligibility of an Applicant, a loan file is issued for the Applicant's address. If a loan closing or fund reservation is not scheduled within 90 days of the date of issuing the file, that file will be fully terminated unless a hardship can be shown by the Applicant.

# What We Can Do

- Policy Changes
  - Cap the number of times an applicant can apply.

G. Applicants will be considered on a first come, first-serve basis subject to available funds. Anyone who has received any type of loan on or before December 31, 2011 at the same property within the past five years (since the date the repayment agreement or loan note was executed) is ineligible unless an emergency exists (see Section XII on Emergencies). Applicants receiving Deferred or Accessibility Loans on or after January 1, 2012 will not be eligible to re-apply unless an emergency exists (see Section XII on Emergencies).

# What We Can Do

- Policy Changes
  - Establish a walk-away policy

K. Individuals whose Rehab Loan applications are cancelled or denied because they did not meet deadlines established by the Rehab program must wait a minimum of one year from the date of cancellation or denial before they can re-apply. Time spent on a waiting list shall not be included as part of the calculation. The CDA reserves the right to deny future eligibility to individuals who cancel an approved Rehab Loan.

# What We Can Do

- Practical Changes
  - Repetition - Be repetitive when emphasizing deadlines. One time is not enough.



# Repetition – Email Requesting Documentation

RE: Home Improvement/Rehab Loan



Mark Hanson

To ○

↩ Reply

↩ Reply All

→ Forward



Fri 9/2/2022 2:23 PM



2 MB

App.pdf



Hi, :

Excellent! I'm glad to hear you are interested in moving forward with your application for the Home Improvement Loan program. Please send back the following information as quickly as possible so that I can see if you qualify:

1. Please review the attached application and make any necessary changes. Re-sign and date the application even if no changes are made.
2. A complete copy of your 2021 Federal 1040 Tax Forms including Schedule C. If you file your business taxes separately, I will need a complete copy of them as well.
3. A complete copy of your **THREE (3)** most recent bank statements from each of your Checking accounts.
4. A complete copy of your **ONE (1)** most recent bank statement from each of your Savings accounts and all of your retirement accounts.
5. A copy of your most recent mortgage statement.

Please let me know if you have any other sources of income or financial assets.

Please return this information to me as soon as possible. Let me know if you have any questions.

Thanks,  
Mark

**Mark Hanson**  
Housing Rehabilitation Coordinator  
(651) 675-4469

# Repetition – Approval Email

RE: Home Improvement Loan



Mark Hanson

To ○

Cc ○ Mark Haase

Reply Reply All Forward

Fri 9/2/2022 3:38 PM

Hi, :

Thanks for sending in everything so quickly, I appreciate your patience. You are pre-approved for the Home Improvement Loan and will be working with my co-worker Mark Haase as your Rehab Advisor. I have cc'd Mark on this email to simplify communication. Mark will contact you to set up a time to meet with you at your home, do a brief inspection, and go over your project. We have 90 days to get to a loan closing. To get there, you have to meet with Mark, get bids, select a contractor, meet with Mark and the contractor to go over the project, and then close on the loan. Mark will fill you in on all the details when you meet. As long as you correspond with Mark quickly and work hard on getting bids you should be able to easily meet that deadline.

Thank you for your patience and cooperation. We look forward to working with you!

Thanks,  
Mark

**Mark Hanson**  
Housing Rehabilitation Coordinator  
(651) 675-4469

# Repetition – Approval Letter

Michael

Hastings, MN 55033

RE: Home Improvement Loan

Dear Mr. ,

Congratulations, you are pre-approved for the Home Improvement Loan. The loan is not considered fully approved until the loan closing takes place. This is a loan with no monthly payment and no interest. Your file has been assigned to Mark Haase. He will contact you to schedule a time to meet and review your project. The CDA is required to perform a brief inspection inside the house. While doing so, he may be wearing a mask. If anyone in your household is not feeling well on the day of the inspection, we ask that you contact Mark to re-schedule.

Please work with Mark to move your project forward as quickly as possible. You have **90 days** to get to a loan closing or your project may be cancelled. Mark will go over this with you when you meet.

**It is your responsibility to immediately notify Mark Hanson at (651) 675-4469 if your financial situation changes (amount and/or sources of income, assets, mortgages, etc.) between now the loan closing. Changes can affect your eligibility. If we do not hear from you, we assume that everything remains the same.**

Sincerely,

# Repetition – Email With Specs

Home Improvement Loan Specifications



Mark Hanson

To ○

Reply Reply All Forward



Mon 8/1/2022 2:47 PM



Hi, :

I have attached the specifications/scope of work for your project. Please read through them and let me know if I am missing anything or if you have any questions.

I have also enclosed a list of general contractors for you to use if you wish to do so. You do not have to use any of the general contractors on this list, it is simply a resource available to you. If you choose to look elsewhere for a contractor, please make sure that they can bid on everything in the specifications, and that they are licensed, insured, and willing to forego a down payment. **Please start calling for bids right away. The bid due date is August 31<sup>st</sup>, and it will be here before you know it.** Try to get at least two bids, but three would be better. Please only use general contractors. Contractors will likely ask for an electronic copy of the specifications before they can come out. If you have difficulty with that you can refer them to me.

I will be ordering the lead risk assessment shortly and will cc you on that email.

Please let me know if you have any questions.

Thanks,  
Mark

**Mark Hanson**

Housing Rehabilitation Coordinator



Dakota County  
Community Development  
Agency

1228 Town Centre Drive | Eagan, MN 55123

P: 651-675-4469 | F: 651-287-8025

[mhanson@dakotacda.org](mailto:mhanson@dakotacda.org) – NOTE new email address as of 09/01/20

# What We Can Do

- Practical Changes
  - Add language to your Homeowner Information / Homeowner Agreement form to emphasize the current economic climate and how that impacts them and their responsibilities.

# Repetition – Form Language

## HOMEOWNER INFORMATION

You are participating in the Dakota County CDA Home Improvement Loan program. This form is meant to provide an overview of the program. Please carefully read and review this with your Rehab Advisor.

### THE PROCESS

- A. The CDA Rehab Advisor visits your home to meet with you and review the needed work. Any work started or completed prior to this meeting cannot be included under the loan. **Before proceeding to the next step, it is essential that we agree upon a PLAN that targets an amount between the loan minimum (\$15,000.00) and the loan maximum (\$35,000.00).** \_\_\_\_\_
- B. Specifications, based on the agreed upon plan, will be prepared by your Rehab Advisor and sent to you. Review them carefully to make sure nothing is missing. **Once you have reviewed the specifications, you should immediately start calling contractors for bids.** This part of the process takes a long time and will require a strong effort on your part. Contractors need significant time to prepare their bids even after they come out to your house, so get them out there as quickly as you can. **You must close on a loan within 90 days of the date you were approved.** If you cannot do this, your application may be cancelled. \_\_\_\_\_
- C. You must obtain at least two bids from qualified contractors using the specifications provided by the CDA. Bidders must be insured, licensed (if required by state or local laws), be able to obtain all needed permits to do the work, and be willing to work without a down payment. **This is a competitive, sealed bidding process, so bids are sent directly to the CDA by the contractors.** You will have access to all the bids



# Repetition – Form Language

## PLEASE KEEP IN MIND

- A. We want you to understand the process, the work planned, and all the documents you sign. If you are missing anything, or if anything is unclear, let us know and **ASK QUESTIONS**. We want to help you.
- B. This process will be stressful. There is simply too much work out there for the amount of contractors that exist. This leads to higher prices, slower turn-around times for bids, and longer completion times. Many factors exist beyond the control of the contractor that can affect the scheduling of the work; supply chain issues, bad weather, lack of carpenters, lack of sub-contractors, etc. **On the front end, this means that you will need to work hard to get bids in quickly.** On the back end it means that contractors have a difficult time predicting start and completion times for different parts of your project. We ask for your patience during the project as the contractors are doing their best to get to your job as soon as they can.
- C. We will make a loan to you only to cover the cost of improvements and repairs that are deemed necessary and appropriate by this office. You will not automatically receive the maximum loan amount simply by qualifying for the program.
- D. The CDA does not guarantee that it will find and/or correct all problems/hazards in your house. You may not

# What We Can Do

- Practical Changes
  - Regularly check in with your clients before things are due. “I sent you a letter last week and haven’t received your pay stubs yet”, or “I know bids are due in three weeks, but have you had any luck getting anybody out there yet?”, etc.
  - Give the homeowner tools to help them solicit bids such as a script to help them when contacting contractors.



# Repetition – Check On Client Progress

RE: Specifications



Mark Hanson

To



Fri 9/2/2022 2:33 PM

Hi, :

I thought I would check in early and see if you are having any luck getting contractors out to bid?

Thanks,  
Mark

**Mark Hanson**

Housing Rehabilitation Coordinator  
(651) 675-4469

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**From:** Mark Hanson

**Sent:** Friday, August 26, 2022 2:47 PM

**To:**

**Subject:** Specifications

Hi, :

I have attached the specifications/scope of work for your project. Please read through them and let me know if I am missing anything or if you have any questions.

I have also enclosed a list of general contractors for you to use if you wish to do so. You do not have to use any of the general contractors on this list, it is simply a resource available to you. If you choose to look elsewhere for a contractor, please make sure that they can bid on everything in the specifications, and that they are licensed, insured, and willing to forego a down payment. **Please start calling for bids right away.** **The bid due date is September 23rd, and it will be here before you know it.** Try to get at least two bids, but three would be better. Please only use general contractors. Contractors will likely ask for an electronic copy of the specifications before they can come out. If you have difficulty with that you can refer them to me.

# Adhere to Your Established Deadlines...

- Cancel the folks that can't follow through. Unfortunately, the program is not for everyone. Successful projects require commitment and effort on the part of the Rehab staff, contractor, and homeowner.

## ...But Allow for Some Exceptions

- When there is clear evidence that the homeowner did everything they could, and will likely succeed given a little more time, it makes sense to grant it. Make sure your policy allows for exceptions in certain circumstances.

# When / If Possible

- How can you make a project more attractive to contractors:
  - Desirable projects tend to have fewer but larger components to them. The more work a general can do themselves, the more they will like it.
  - Large projects are more appealing.
  - Write clean and clear specifications.
  - Target your specifications to the budget you have to work with.
  - Process checks quickly.

# Contacts

John Schommer

[john@brainerdhra.org](mailto:john@brainerdhra.org)

Mark Hanson

[mhanson@dakotacda.org](mailto:mhanson@dakotacda.org)

**THE END**