

Lending Center Overview – Services Available for Minnesota Cities

Q&A with Lending Manager Judi Mortenson

1. Is PACE available for Residential properties?

Under current Minnesota regulations PACE does address both residential properties and commercial properties. There are significant residential mortgage industry (HUD and Fannie Mae/Freddie Mac) barriers to PACE for residential properties. CEE is focusing on PACE for commercial properties only.

2. If a City already has some financing programs, can CEE's programs complement these programs (can they occur simultaneously)?

Absolutely! We look forward to those sorts of partnerships. We have many cities that offer their own programs, they may offer programs through us, or they may have a link to the Lending Center website where state-wide financing programs are described. The City of Oakdale is an example where there are no City funds for housing related initiatives but they are committed to providing their residents access to financing through the link to the Lending Center at CEE.

3. Are cities able to modify their CEE programs over time?

We are very flexible. We spend a great deal of time evaluating program guidelines, working with cities, and adjusting those guidelines based on the changing demographics and needs of a city or area. Program guidelines are always subject to change and contracts are generally pretty flexible so that we can meet the needs of a City and CEE.

4. How do you combat utilities that maybe looking for loans from smaller, local banks?

We want to be a financing source. We realize that we are not the only source of financing. Local banks are also a very good option. Sometimes our flexible guidelines provide opportunities that a local bank might not be able to finance. For example, we can finance up to 100% of the value of the property, which includes 50% of the project cost. Local banks often times are not willing to go more than about 80% of the combined loan to value. So, we tend to have more flexible guidelines. We always suggest to anyone obtaining financing, especially when there is a security against the property, that they do shop for the best rates and terms available.