University of Miami
Process for a
Qualified Major Home Improvement

This document provides a description and process for a participant(s) in the University of Miami Shared Appreciation Loan Program to request University approval of a Qualified Major Home Improvement pursuant to the 'Program Requirements' document previously reviewed and approved by the participant.

Any improvements that have not been approved using this process by the University as Qualified Major Home Improvements pursuant to the Loan Program will not be considered when the loan is ultimately paid off. Therefore, the costs of these improvements are fully borne by the Participant.

If a participant wants an improvement to the property which is encumbered by a University of Miami Shared Appreciation Loan to be considered a Qualified Major Home Improvement, this process must be followed.

Participants are warned not to proceed prior to notifying the University of their intent to make an improvement and getting an acknowledgement from the University. Do not spend any money prior to receiving University acknowledgement.

Participants will receive a credit at payoff for the lesser of the cost of and increased value of the home due to the Qualified Major Home Improvement that has been paid for by the Participant. Participants may or may not receive a credit for the total cost of the Qualified Major Home Improvement.

The University reserves the right to deny any request submitted by the Participant for a Qualified Major Home Improvement for any reason. Furthermore, the University of Miami is not required to inform the Participant as to the reason why a request for approval has been denied.

The following types of property improvements are not considered Qualified Major Home Improvements: painting, landscaping, wall coverings, flooring, furniture, fixtures, and such improvements that are not considered 'permanently affixed' to the property. Those items that are considered usual and customary maintenance items are not qualified. Additionally, personal property, driveways, roof replacements, permanent and temporary storm shutters, window replacements, doors, hardware, wiring and items that generally deteriorate over time are not considered Improvements under this paragraph. Replacements or repairs of washers, dryers, refrigerators, all kitchen cabinets, kitchen equipment and plumbing or electrical and related fixtures are not qualified.

Any improvements that are not considered standard and customary for the neighborhood or that might constitute an over-improvement in the property for the surrounding neighborhood will not be approved as a Qualified Major Home Improvement.

The following types of property improvements may be considered as Qualified Major Home Improvements: adding a pool, adding square footage to the footprint of the home (an additional bedroom or expanding the square footage of a bedroom by extending exterior walls), or adding an additional bathroom.
Participants are advised to read this paragraph carefully. Qualified Major Home Improvements usually cost more than the increased value of the property from the qualified major home improvement. Please proceed with caution and a full understanding of the financial ramifications of proceeding with any improvements.

The following process must be followed in order for any improvement to be considered a Qualified Major Home Improvement.

1. Notify the University of Miami of your intent to make a Qualified Major Home Improvement, and receive the University’s acknowledgement. Note: Improvements must be completed within twelve (12) months of this step.

2. Provide detailed plans and specifications and a cost breakdown to a State Certified Appraiser (as defined below) who is licensed by the state of Florida, to ensure that all local and state requirements have been met. The State Certified Appraiser will inspect the improvement and render a written opinion as to the contributory value (defined as the difference between the “as is” market value of the property and the market value of the property subject to the completion of the Qualified Major Home Improvement). The selection of the State Certified Appraiser will be made from a list of approved State Certified Appraisers maintained by the University of Miami but selected by the participant. The cost of this review and approval process will be paid by the loan participants.

3. Once the Qualified Major Home Improvement has been completed and a State Certified Appraiser has issued a final opinion as to the contributory value of the improvement, you must sign and also receive an acknowledgement from the University of Miami, signed by an official representative, of the exact amount of the Qualified Major Home Improvement to be considered when the loan is paid off. Participant must provide a copy of the State Certified Appraiser’s report showing the contributory value of the improvement to the University. This process must be completed within one year of the completion of step one, above.

If any major or minor improvements are made to the property without the expressed, written consent of the University of Miami, the cost of these improvements will not be considered as a Qualified Major Home Improvement and will not be an adjustment to the Maturity Value of the property upon payoff of the loan balance.

Any defects in workmanship or non-completion of the improvement by the contractor or the homeowner will be the responsibility of the Participant and will not be considered as an adjustment to the Maturity Value pursuant to the Loan Program. Any cost to complete and/or repair the improvements or costs associated with changes to the plans to complete the improvements shall be the sole responsibility of the participant(s) and all of these costs shall be subtracted from the 'Maturity Value' upon payoff of the loan balance.
If a Loan Participant wants an improvement project to be considered a Qualified Major Home Improvement, the following steps will be necessary.

1. **Notification of Intent to Make a Qualified Major Home Improvement.**
   
   a. **The Participant(s)** will have to notify the University for any project contemplated under this section.

   I am (We are) participating in the University of Miami Shared Appreciation Subordinate Lien Mortgage Loan Program. We acknowledge receipt of and fully understand the terms and conditions of the Program Requirements. We hereby notify the University of our intent to make a Qualified Major Home Improvement to our property that is part of the University Loan Program. We understand that Qualified Major Home Improvement must be completed within twelve (12) months of the date of the University’s acknowledgement below. NOTE: Any cost or portion of the costs associated with these improvements that will not increase the market value of the property shall not be considered as any adjustment to the Maturity Value of the property.

   Nature of Improvement: ____________________________
   Approximate Cost of Improvement: ____________________________

   Name: ____________________ Date: ________________  Signature: ____________________
   Name: ____________________ Date: ________________  Signature: ____________________

   b. **University of Miami:**

   We hereby acknowledge this request subject to completion of all of the steps outlined below.

   Name: ____________________ Date: ________________
   Signature: ____________________
   Title: ____________________
2. **Final Agreement on Contributory Value upon Completion and Submission of Report on Inspection by State Certified Appraiser.**

The University of Miami has received a request from you as participants in the Shared Appreciation Subordinate Lien Mortgage Loan Program. A State Certified Appraiser has inspected the completed improvements to the property after a certificate of occupancy has been issued and certifies that all state and local requirements have been met. A copy of the State Certified Appraiser’s report showing the contributory value of the improvement has been submitted to the University. The Certified Appraiser has determined that the contributory value, or increased market value of the home due to the successful completion of the Qualified Major Home Improvements is $___________________.

We hereby jointly acknowledge and approve that $__________________ will be considered a Qualified Major Home Improvement pursuant to the plans and specifications and cost breakdown submitted by you.

**University of Miami:**

Name: ___________________________ Date: _______________
Signature: ________________________
Title: ____________________________

**Participants:**

Name: _______________ Date: ___________ Signature: ________________________
Name: _______________ Date: ___________ Signature: ________________________