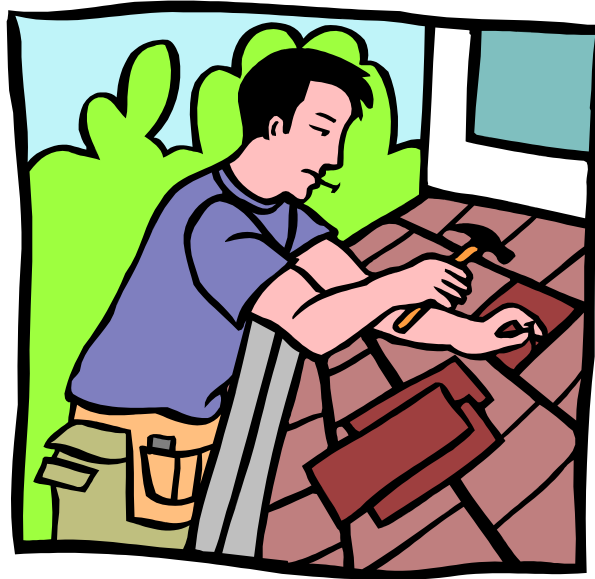




## HOMEOWNER REHABILITATION LOAN PROGRAM DESCRIPTION



FOR INCOME ELIGIBLE CITY OF MOBILE HOMEOWNERS

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Our Home Rehab Program Assists with Repairs that  
Make Your Home Safer & Healthier.

Roof Repair/Replacement ♦ Old, Damaged Windows ♦ Gutters

Lead Based Paint Removal ♦ Plumbing Problems

Replace Rotten Wood and Boards ♦ Electrical Repairs



## City of Mobile

COMMUNITY PLANNING & DEVELOPMENT DEPARTMENT

The Community Planning and Development (CPD) Department's *Homeowner Rehab Loan Program* will provide deferred payment loans to eligible low and moderate-income households to repair owner-occupied, single family homes. This program is designed to address health, safety, and structural/deferred maintenance deficiencies and will enable homeowners to improve their housing while creating a positive effect in the community.

Only single family, owner-occupied residences are eligible for assistance under this program. Rental property, investment property, vacant property, and commercial property are not eligible.

### HOMEOWNER REHAB LOAN TERMS

Homeowners may be awarded up to a **\$20,000** Rehab Loan. This is only a maximum. There is no guarantee that homeowners will receive \$20,000. Financial assistance will be provided to the homeowner as a deferred payment loan. The Rehab Loan will be provided as a mortgage secured by the property.

1. For homeowners with household income below 80% of area median income, loans will be deferred and forgiven after 5-10 years, depending on the amount of CDBG Funds borrowed. **NO MONTHLY PAYMENTS WILL BE DUE.** Forgiveness will be at a rate of 10% - 20% (depending on the amount of CDBG funds) for every year the homeowner remains in the home from the date of the loan closing.
2. The balance, if applicable, becomes due and payable under the following circumstances:
  - Sale of the property
  - Transfer of ownership/Title of the property
  - Change of use or occupancy
  - Lack of Homeowner's Insurance Policy
  - Event of incurable default
3. Additionally, participating homeowners may not take out an additional mortgage on the property without prior CPD approval.

### HOMEOWNER ELIGIBILITY

Eligibility is based upon the number of household members and total household income and must be less than or equal to 80% of Area Median Income (AMI) as provided by the U. S. Department of Housing and Urban Development (HUD) as shown in the following chart.

Person	1	2	3	4	5	6	7	8
<b>80% AMI</b>	\$29,350	\$33,550	\$37,750	\$41,900	\$45,300	\$48,650	\$52,000	\$55,350

\* Total gross income of household, before taxes and deductions; figures are updated annually.

- Applicant must be income eligible. The existing mortgage must be current at the time of application and remain current during the loan term.
- Property taxes must be current.
- Homeowner's and flood insurance (if applicable) must be obtained and maintained as a condition of receiving assistance.
- Applicant must have title interest in the property and use property as primary residence.

## AFFORDABILITY AND OCCUPANCY RESTRICTIONS

To ensure CDBG investments yield affordable housing over a longer period, HUD regulations impose occupancy requirements over the period of the loan. The length of occupancy period depends on the amount of CDBG funds invested in the property (See Chart Below). Homeowners must live in the property as their primary residence for the term of the loan.

ACTIVITY	HOME FUNDS PER UNIT	MINIMUM OCCUPANCY PERIOD
Homeowner - Rehabilitation	Less than \$15,000	5 Years
Homeowner - Rehabilitation	\$15,000 - \$20,000	10 Years

## ELIGIBLE HOME REHAB AND IMPROVEMENTS SCOPE OF WORK

The Home Rehab Loan Program will provide loan assistance to eligible homeowners for the rehabilitation of their homes. It is designed to address immediate health, safety, structural and deferred maintenance deficiencies. Other improvements that must be completed to address the identified health, safety and structural deficiencies, HUD Housing Quality Standard (HQS) or local housing codes will be considered on a case by case basis. The following is a partial list of issues that may present an immediate health, safety or structural issue. This list is not intended to be exhaustive. Final determination of improvements will be made by the CPD staff in consultation with the homeowners.

- **Exterior Repairs:** Roof, gutters, windows, doors, siding, eaves, foundation, porch, drive way/walkway, water and sewer lines, accessibility needs and modifications, etc.
- **Interior Repairs:** Plumbing, furnace, electrical, kitchen, bathroom, painting, appliances, if existing ones are nonfunctional, deteriorated structural members, floor, wall, lead and asbestos abatement etc. (presumed present).

## PROCESS FOR THE REHAB LOAN PROGRAM

1. Homeowner completes and submits application to CPD by **Friday, September 27, 2013:**  
**2318-B St. Stephens Road · Mobile, AL 36617 (Tuesdays and Thursdays ONLY)**  
**or**  
**205 Government Street · South Tower, 5<sup>th</sup> Floor, Suite 508 · Mobile, AL 36602**

2. CPD staff reviews application to determine if applicant and project meet minimum eligibility to participate and that all requested documentation is included;

**PLEASE NOTE**

**If ALL requested documents are not included with the submitted package, the application will be considered INCOMPLETE, and the resident may NOT be considered for funding.**

3. CPD Housing Coordinator visits the home to meet the resident(s), evaluate work needed and to develop the scope of work;
4. Since funding is limited, the CPD staff finalizes the application review and recommends applicants to be funded;
5. If an applicant is selected, the City will provide a list of licensed, bonded, insured and lead-based certified contractors; you may also contact any contractor provided they meet the City of Mobile contracting requirements. The Homeowner solicits three (3) bids from contractors within a three week period.
6. The CPD staff will review the submitted bids and determine completeness;
7. In consultation with the CPD staff, the homeowner contracts with the winning bidder;
8. Corresponding loan documents are finalized and signed by the homeowner;
9. CPD staff will inspect the Contractor's work to ensure satisfactory completeness and compliance with approved Scope of Work and Program Requirements;
10. Payment will be issued to the Contractor upon satisfactory completion and the homeowner's approval.

**HOMEOWNERS APPLICATION CHECKLIST**

- Applicants must be the legal owner of the property and reside in the property as their primary residence;
- Applicant must be income eligible (household income below 80% AMI);
  - ✓ **Applicants Must Provide Proof of Income with any of the Following:**
    - ✓ Pay or check stubs from the months immediately preceding the application
    - ✓ IRS Income Tax Return
    - ✓ Social Security Statement for current year
    - ✓ Retirement Pension Statement for current year
    - ✓ Unemployment Statement from state entity
    - ✓ Income Tax Statement reflecting Rental Income from previous year, if any
- Proposed work must meet program standards and housing code standards;
- Funds must be used for approved Scope of Work;
- Complete application form.
  - ✓ **Incomplete Applications Will Not Be Processed.**
- Submit completed application to CPD.

## **DISCLAIMERS**

- All funding decisions made under these guidelines shall be made solely at the discretion of the City of Mobile.
- The City of Mobile reserves the right to modify or waive, on a case-by-case basis for good cause, any condition of these guidelines that is not mandated by any federal, state and local laws and regulations.

### **If You Have Any Questions or Need Additional Information, Please Contact:**

City of Mobile  
Community Planning & Development Department  
205 Government Street  
South Tower, Fifth Floor  
Mobile, AL 36602  
(251) 208-6290 or (251) 208-6294