

**OFFICE USE ONLY**

(Loan number)

\_\_\_\_\_

**OWNER-OCCUPANT APPLICATION FORM**

Community Development Block Grant Program

Applicant(s) Name: \_\_\_\_\_

If anyone else is listed as property owner on the deed or land contract, please list below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you, the applicant(s), occupy the dwelling in which you are applying for? \_\_\_\_Yes \_\_\_\_No

Telephone Number: (\_\_\_\_) \_\_\_\_\_ (Home)

(\_\_\_\_) \_\_\_\_\_ (Work)

(\_\_\_\_) \_\_\_\_\_ (Cell)

\_\_\_\_\_ (Email)

Best time to call: \_\_\_\_\_ AM/PM

Resident Address: \_\_\_\_\_

(Street Address, City, Zip)

(County)

\_\_\_\_\_  
(Mailing Address if different)

Is this property located in a flood plain? \_\_\_\_Yes \_\_\_\_No

Including yourself how many people occupy this unit? \_\_\_\_\_

Ages of children who live in the home? \_\_\_\_\_

Requested Home Improvements:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Age of Structure: \_\_\_\_\_

Is this property a Historical Site, or eligible to become one? \_\_\_\_Yes \_\_\_\_No

Are your property taxes delinquent? \_\_\_\_Yes \_\_\_\_No

Is there currently a mortgage, lien, land contract, judgment(s) or any other debt against this property?

\_\_\_\_Yes \_\_\_\_No

How did you hear about this program?

\_\_\_\_\_  
\_\_\_\_\_

If you have questions or are unsure if information or document should be included, please call at 715-752-4620 or attach it and it will be determined if is needed.

Please send Application and supporting documents to:

**BG& Associates**

**PO Box 10**

**Bear Creek Wi 54922**

Below please list any type of debt, amount currently owned and whom it is owed. IF there is more than one loan against the property please list each one separately.

Fair Market Value (found on your property tax or appraisal)	Dollar Amount owed, against property from all sources	Equity= (fair market value-amount owed)
\$		\$

Income

Please list below the income of all persons who live on your household. Income includes, it is not limited to income from all gross wages, salaries, commissions, tips, net income from self-employment, net income for the operation of real property, interest and dividend income, Social Security, SSI, Pensions, AFDC, alimony, child support, tribal per capita, veteran’s benefits, worker compensation, unemployment, SSI caretaker supplement, gambling, general relief, and other benefit income

If you are uncertain about including something as income, please list it below and the Housing Rehab program will advise you about it.

Name household member	Income Type	Income Month 1	Income Month 2	Income month 3	Total in 3 months

Ages of children living in the household (under 18years) \_\_\_\_\_

Total household income \$ \_\_\_\_\_

Are you a United States Citizen or Qualified Alien? \_\_\_\_ Yes \_\_\_\_ No

You are not required to answer the questions below. However, if you do, you will help future efforts to obtain federal funds.

Sex of Applicant: \_\_\_\_\_

Age of Applicant: \_\_\_\_\_

Marital Status of Applicant: \_\_\_\_\_

Race of Applicant: \_\_\_\_\_

Handicapped: \_\_\_\_\_

If you chose not to answer the question listed above, please check this box:

Please answer the following asset(s) questionnaire completely. Failure to do so will result in delay of application processing

Yes or No	Asset	Cash value/ Balance
<p>_____ Yes _____ No</p>	<p>Checking account(s) Name(s) on account: _____ _____</p>	<p>\$ _____</p>
<p>_____ Yes _____ No</p>	<p>Savings account(s) Name(s) on account _____ _____</p>	<p>\$ _____</p>
<p>_____ Yes _____ No</p>	<p>Certificates of Deposit or Money Market Account(s) Name(s) on account: _____ _____</p>	<p>\$ _____</p>
<p>_____ Yes _____ No</p>	<p><u>Revocable Trust</u> <u>If yes, provide description:</u> _____ _____</p>	<p>\$ _____</p>
<p>_____ Yes _____ No</p>	<p>Stocks, Bonds or Treasury Bills List Names: _____ _____</p>	<p>\$ _____</p>

<p>____ Yes ____ No</p>	<p>Real Estate- Own rental property(ies) or other land If yes, list location and mortgage holder and send copy of <u>Property Tax Statement</u></p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>IRA/Lump Sum/ Pension/ Retirement/Keogh/401k (even if you are not eligible to receive it)</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p><u>Whole Life Insurance Policy</u> How many policies: _____ Names on account(s): _____</p> <p>_____</p> <p>*Attach cash value sheet</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>More than \$500 on hand</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>Items held and an investment (antique car, coin collection, ect) Please list:</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>Safe Deposit box List asset contents:</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>Disposed of asset(s) (gave away money/assets) for less than fair market value in the past 2 years (i.e. land or 2<sup>nd</sup> home) List:</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>
<p>____ Yes ____ No</p>	<p>Income from asset(s) or sources other than those listed above:</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>\$ _____</p>

Please read each item carefully before initialing. If you do not understand, please ask for assistance.

1. This is an owner-occupied property. I understand the Housing Rehab funds are offered as a loan payable upon resale or transfer if title of the property. The loan will be secured by a mortgage and/or promissory note that I can pay any or all of the balance any time prior to resale or transfer of property.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

2. I understand my property will be assessed to determine if the house meets or can meet decent, safe and sanitary conditions. Based on the assessment, The Housing Rehab Program reserves the right to deny funding.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

3. I understand I must carry adequate homeowner's insurance on the property and keep the policy in force during the life of the loan. I understand if I do not currently have a Homeowners Insurance Policy, the CDBG will put insurance on the property for **ONE** year, and the year cost of the policy will be added to the approved Loan.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

4. I understand the contract between the contractor, and I (us) is my responsibility to ensure that the work is done, and done correctly. This is not the responsibility of the administrator, or the Housing Rehab Program.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

5. I authorize if I intentionally make statements or conceal any information in an attempt to obtain this loan; it is a violation of federal and state laws that carry severe criminal and civil penalties.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

6. I authorize the Housing Rehab Program agents to verify all information given by me about my property, income, employment, and assets to determine my eligibility.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

7. I authorize and direct all custodians of my records including my insurance company, employer, public and private agencies, banks, financial institutions, or credit data service to release information to the Housing Rehab Program.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

8. I understand that any products and/or services that are contracted or purchased before a mortgage closing with the CDBG program, may not be found eligible and would then be at the cost of the homeowner or applicant. Emergency situations, which are viewed on a case-by-case basis, may be the **ONLY** exception to this with approval of the administrators.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

9. No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis Stats.), unilateral statement classifying income from separate property under Sec 766.59 or court decree under Sec 766.70 adversely affects the creditor is furnished with a copy of the document prior to the credit transition or has actual knowledge of its adverse provisions at the time the obligation is incurred.

\_\_\_\_\_Applicant    \_\_\_\_\_Co-Applicant

Housing Rehab Program Privacy and Disclosure Notice

We may collect non-public personal information about you from the following sources:

- Information that you provide to us, such as on the applications of other forms
- Information about your transaction with us or others
- Information from others, such as a real estate appraisers and employers

We do not disclose any non-public personal information about you to anyone, except as permitted by law.

To maintain security of customer information, we restrict access to your personal and account information to persons who need to know that information to provide you products and services. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices described in this notice.

Below are Items listed that must be sent back with your application, please check them as you attach. Failure to send back all applicable items may result in delay of project. Prior to attachment of these documents, please free all papers from social security numbers, account numbers and employee numbers as they are personal and not needed in our application processing.

\_\_\_\_\_ Verification of Employment form filled out by employer (see attached\* more than 1 form MAY be needed) (18 or older and not a full-time student

\_\_\_\_\_ Proof of college enrollment of full-time student(s)

\_\_\_\_\_ The first \$480.00 worth if check stubs from any full-time college student(s)

\_\_\_\_\_ All current award Letters (SS, SSI, Disability, etc.)

\_\_\_\_\_ Copy of current 1040

\_\_\_\_\_ Entire 1040 if self-employed (last 3 years)

\_\_\_\_\_ Copy of property tax(es)

\_\_\_\_\_ Copy of current mortgage balances

\_\_\_\_\_ 6 Month Average form filled out by banking institution (see attached \*more than 1 form MAY be needed)

\_\_\_\_\_ Copies of 401k, CD(s), IRA, Keough, or any pension balances

\_\_\_\_\_ Proof of child support payments (3 months) (if you do not receive any, a copy or court order)

\_\_\_\_\_ Proof of alimony/spousal maintenance payments

\_\_\_\_\_ Copy of proof of property insurance

\_\_\_\_\_ Copy(ies) of proof of any other income or asset(s)

\*All check stubs, award letters and pension must show gross amount

Authorization of Release of Information Form  
Community Development Block Grant

Name: \_\_\_\_\_

Address : \_\_\_\_\_

Date: \_\_\_\_\_

This form will authorize you to release any information to the Housing Rehab Program

We are particularly interested in:

- Verification of Taxes
- Request for mortgage status
- Title verification
- Checking and savings account(s)
- Verification of Insurance(s)
- Verification of employment
- Verification of income
- Social Security verification
- Verification of benefits
- (Other) all assets

Notice to Applicants

Notice to borrowers: this notice to you is required by the Right to Financial Privacy Act 1979. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have the right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or release by this institution to another government agency without you consent except as required by law.

I, the undersigned, do hereby authorize the release of information to the Housing Rehab Program, Weatherization and any other housing rehabilitation programs that I may benefit from

Applicant signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant signature \_\_\_\_\_ Date \_\_\_\_\_

Conflict of Interest

Page 1 of 2

Please Note: No person who is an employee, agent, consultant, or officer of the Northwoods Housing Rehabilitation Program or an elected or an appointed official, and who exercises or has exercised any functions or responsibilities with respect to activated related to this Community Development Block Grant Fund Program, or who is in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from this program, or have an interest in any contact, subcontract or contract with respect thereto or the proceeds thereunder either for themselves or those with whom they have family or business ties, during their tenure.

Family is described as follows:

- Spouse
- Fiancée/ Fiancé
- Children and or Children-in-Law  
Parents and Parents-in-Law
- Sister(s)/ Brother(s) and Sister(s)/Brother(s)-in-Law
- Anyone who receives more than 50% of their support from a covered person (e.g. adopted child, foster child).
- 

Please review the attached list people (Page 2 of 2)

Do you have family or business ties to any of the listed people?  Yes  No

If yes, disclose the nature of the relationship below under the relationship column.

I verify that I have read over each name and that I have enclosed family and business ties where they are applicable to my best knowledge:

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_



Conflict of Interest

Covered Person:	Relationship:
Ben Pierce - Chairperson	
John Medo - Vice Chair	
John Medo- Vice Chair	
<b>Langlade County Board Members</b>	
Reinhardt Balcerzak	
Carol Bardo	
Andrew Bauknecht	
Robert Benishek	
Rick Bina	
Roger Buck	
Douglas Curler	
Ronald Krueger Sr	
Steve Maier	
Bruce McDougal	
Daniel Persen	
Teresa Poltrock	
Justin Sorano	
Joel Wagner	
Warren Wagner	
Jeff Wickersheim	
Zach Zagar	
Brian Zaverousky	
<b>Northwoods Region, County Members</b>	
Rhinehardt Balcerzak	
William Chaney, Forest County	
Vacant- Florence County	
Janell Schroeder, Oneida County	
Vacant- Lincoln County	
Bill Switalla, Shawano County	
Carol Heise, Oconto County	
Elizabeth Moses, Menominee County	
Jerry Burkett, Vilas County	
<b>CDBG Grant Administration Staff</b>	
<b>BG &amp; Associates, LLC Staff</b>	
Kaytlin Gabrielson	
Barb Gabrielson	
Zoe Anzia	
Rick Gabrielson	

**ACKNOWLEDGMENT OF CLOSING COSTS AND GRANTED SERVICES**

The services and cost below if necessary and/or applicable, will be included in the CDBG loan to the owner. Granted services are at no cost to the homeowner.

These services include (costs may be incurred):

- |  |                |
|--|----------------|
| • Letter Report Fee                                  | \$75 - \$125   |
| • Initial Housing Quality Standards (HQS) Assessment | Up to \$500    |
| • Interim Assessment                                 | Up to \$300    |
| • Final Assessment                                   | Up to \$500    |
| • Mortgage Recording Fee (per mortgage)              | \$30 - \$36.25 |

Granted services (no cost to homeowner):

- Limited Lead or Risk Assessment
- Asbestos Assessment
- Lead Clearance

I, the undersigned, certify that all information in this application is correct and accurate to the best of my knowledge. Failure to comply with the conditions within this application may result in the withdrawal of the Housing Rehab Program participation. I acknowledge that I received and reviewed the brochures "Protect Your Family from Lead In Your Home", and "Renovate Right" that were attached to this application. I understand that failure to attach any applicable documentation needed with this application (see checklist) may result in delay or denial of project.

Applicant signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant signature \_\_\_\_\_ Date \_\_\_\_\_

# HOMEOWNER REHABILITATION PROCESS OVERVIEW

\*\* Applicants and co-applicants should initial each number to verify that you understand each step of the process. Once you have initialed all numbers please provide a signature at the bottom of the last page. Please keep the additional copy for your records\*\*

## How the CDBG Housing Rehabilitation grant/loan works?

When going through the CDBG housing rehabilitation program eligibility is determined as well as emergency or non-emergency situations. If your property has a reverse mortgage, we are unable to help, however emergencies may be an exception. A mortgage is placed against your property at 0% interest and no monthly payments. This is paid back when the home ceases to be owner occupied, title is transferred, house is sold or in 30 years. If you are still living there after 30 years you have the option to re-sign for another 30-year term. This program is not for remodeling or renovation for aesthetic only purposes but rather to bring a home up to decent, safe and sanitary conditions. If a home contains lead, this portion is not recorded or required to be paid back at any time, this determined by the lead report provided.

1. \_\_\_\_\_ **Homeowner applies and documentation for processing**  
Applications will not be processed until **ALL** the required documents have been submitted to the Administrator. Please ensure you have completed the application fully and sent back all applicable documentation needed (checklist provided in application)
2. \_\_\_\_\_ **Administrator determines if the homeowner is income eligible.**  
Verification of all income and assets will be completed via third party or check stubs and statements, and income taxes. Income includes gross income plus interest or earnings from any type of asset such as savings and checking accounts, investment accounts, bonds, other property etc.
3. \_\_\_\_\_ **Administrator determines if the property is eligible.**  
The administrator will take into consideration the following items:
  - How much equity you have in your property by looking at how much you owe on the property compared to the market value that is listed on the property tax statement.
  - Mortgage balance(s) and whether you are current in making payments.
  - Confirm that property taxes are paid. All applicants with delinquent property taxes must satisfy that debt before any loan is approved. Emergency loans may be excepted.
  - The applicant is responsible for clearing any liens, judgments, title ownerships in order to be eligible to proceed; or combined judgements and liens from all sources will be deducted from equity amount if not satisfied.
  - Properties must be owner occupied and must be the owner's principal place of residence.
  - If there is a land contract, the land contract holder must sign the loan. The land contract must be legally binding and properly recorded.
  - If the occupant has a life estate, all owner(s) of the property must sign the loan.
4. \_\_\_\_\_ **Administrator will request a title search on the property.**  
A Title search will confirm ownership and reveal debts against the property. When the title search reveals unusual information, a legal opinion of ownership or financial obligation is requested of legal counsel.

5. \_\_\_\_\_ **Inspection and specification preparation**

An assessor (Kyle and Paul) will call to set up an appointment to meet with the homeowner to inspect the property and determine which rehab work the homeowner sees necessary and what will be recommended. The program requires that repairs that affect the occupant's health and safety must be addressed, and all code violations will be given top priority. Other types of repairs cannot be completed unless all health and safety repairs are also addressed. No cosmetic work or new construction is permitted unless the new construction is for overcrowding or handicap accessibility. No work may begin on the project until the mortgage has been signed and recorded and the contract(s) between the homeowner and contractor have been signed. Funds cannot be used to reimburse you for work that has already been completed.

6. \_\_\_\_\_ **If the project includes lead-based paint work, soil testing for a septic system, asbestos or mold remediation, additional inspections will be required.**

These items may require special testing procedures in order to complete the inspection process. These tests will be conducted by a company that is specialized and certified in that area of work.

7. \_\_\_\_\_ **Homeowner obtains bids for the rehab work.**

Homeowners are expected to obtain three bids for their project (using general, if possible, when multiple areas are included) All bids must be mailed, ~~delivered~~ in person, emailed, or faxed to the grant administrator.

8. \_\_\_\_\_ **Review of bids and loan approval**

a. **Bids reviewed and contractors selected.**

The homeowner reviews the bids with the Administrator. The homeowner may choose the lowest, reasonable, and responsible bid or a bid that is within 10% of the lowest, reasonable, and responsible bid. The homeowner may select any contractor he or she chooses, but if he/she does not want to choose the contractor with the lowest bid or the bid within 10% of the lowest bid, the homeowner must escrow the difference. The homeowner must escrow the difference at the time the loan is signed.

b. **Loan approval.**

The Administrator will take into consideration the overall condition of your property compared to the market value. There must be sufficient equity in the home to cover the existing liens and the home repair loan. If the bids for all of the work would have a **negative equity effect** or exceed 120% of the after-rehab value, then some of the repairs may be eliminated from the scope of work. The repairs will be prioritized according to code violations and health and safety repairs. Those repairs must be completed before other work will be approved. The administrator will estimate the increase in market value (no more than 10% of the repairs cost) because of the home repairs and take this into consideration when calculating equity.

Applicants who disagree with the administrator's calculations for determining equity may appeal the decision by providing a market analysis by a licensed Real Estate Agent or an appraisal by a licensed Appraiser. These documents must be no more than six months old and should take into consideration the repairs being considered.

9. \_\_\_\_\_ **Loan Closing**

a. **Lending documents will be executed.**

Mortgages and Promissory Notes are recorded with the County Register of Deeds. Loans are deferred with no interest or payments until you no longer own or occupy the property as your primary place of residence. The mortgage information is forwarded to the homeowner's insurance carrier and a certificate of insurance is kept on file. Participants must keep their property insured as long as they have the home repair mortgage.

b. **Contract(s) signed.**

The homeowner enters a written contract(s) with the contractor(s). Contractors are given

90 days to complete the work. Sometimes the timeline is extended if the work cannot be done within 90 days due to weather restrictions, supply and demand of materials and pre-scheduled work. A good example might be the replacement of a septic system. The contract is between the homeowner and the contractor, not the Grantee or Administrator. **The homeowner is ultimately responsible for supervising and monitoring the contractors and the quality of their work.**

10. \_\_\_\_\_ **Payments and inspection of completed work**

Payment request forms and lien waivers will be submitted to the Administrator by the contractor(s) signifying part or all of the work completed. The assessor will schedule an appointment with the homeowner to determine if the work has been completed satisfactorily. The homeowner will be asked to sign the payment request signifying their acceptance of the work and approving the amount to be paid to the contractor. Approved payments will be made directly to the contractor.

11. \_\_\_\_\_ **Loan closure**

Participants are provided with important information about their loan when the rehab is complete. They are reminded that as a condition of the mortgage, they must carry liability insurance on the property to cover at least the home repair mortgage and property taxes must be kept current.

Periodic examinations are made on all loans to verify insurance coverage and tax payments. Notices are sent to homeowners when violations in the terms of the mortgage are discovered.

12. \_\_\_\_\_ **Loan repayment**

The loan is due in full when the homeowner no longer owns or occupies the property.

13. \_\_\_\_\_ **Loan default**

When a homeowner has been found to be in violation of the terms of the mortgage, a notice is sent with procedures for remedy. All attempts are made to resolve the situation with the homeowner.

Remedy of the violation or repayment of the loan is the preferred way to settle and all reasonable ways that still meet the requirements set forth by the State are considered. When a reasonable solution cannot be reached with the homeowner, advice is sought with the legal counsel and the Loan Committee.









**6 Month Average Balances**

Date:

RE: 6 month(180 days) average balances

\_\_\_\_\_ (Name of account holder) has accounts with our financial institution.  
Below are the accounts and their information.

<u>Name of account</u>	<u>6 month( 180 days) average balance</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

The above information is accurate and true and is provided on our letterhead.

Signed,



# HOMEOWNER REHABILITATION PROCESS OVERVIEW

## OWNERS COPY~Keep for Records~

\*\* Applicants and co-applicants should initial each number to verify that you understand each step of the process. Once you have initialed all numbers please provide a signature at the bottom of the last page. Please keep the additional copy for your records\*\*

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Mortgages and Promissory Notes are recorded with the County Register of Deeds. Loans are deferred with no interest or payments until you no longer own or occupy the property as your primary place of residence. The mortgage information is forwarded to the homeowner's insurance carrier and a certificate of insurance is kept on file. Participants must keep their property insured as long as they have the home repair mortgage.

### **d. Contract(s) signed.**

The homeowner enters a written contract(s) with the contractor(s). Contractors are given.

90 days to complete the work. Sometimes the timeline is extended if the work cannot be done within 90 days due to weather restrictions, supply and demand of materials and pre-scheduled work. A good example might be the replacement of a septic system. The contract is between the homeowner and the contractor, not the Grantee or Administrator. **The homeowner is ultimately responsible for supervising and monitoring the contractors and the quality of their work.**

## **10. Payments and inspection of completed work.**

Payment request forms and lien waivers will be submitted to the Administrator by the contractor(s) signifying part, or all of the work completed. The assessor will schedule an appointment with the homeowner to determine if the work has been completed satisfactorily. The homeowner will be asked to sign the payment request signifying their acceptance of the work and approving the amount to be paid to the contractor. Approved payments will be made directly to the contractor.

## **11. Loan closure.**

Participants are provided with important information about their loan when the rehab is complete. They are reminded that as a condition of the mortgage, they must carry liability insurance on the property to cover at least the home repair mortgage and property taxes must be kept current.

Periodic examinations are made on all loans to verify insurance coverage and tax payments. Notices are sent to homeowners when violations in the terms of the mortgage are discovered.

## **12. Loan repayment**

The loan is due in full when the homeowner no longer owns or occupies the property.

## **13. Loan default**

When a homeowner has been found to be in violation of the terms of the mortgage, a notice is sent with procedures for remedy. All attempts are made to resolve the situation with the homeowner.

Remedy of the violation or repayment of the loan is the preferred way to settle and all reasonable ways that still meet the requirements set forth by the State are considered. When a reasonable solution cannot be reached with the homeowner, advice is sought with the legal counsel and the Loan Committee.

## 14. Subordinations

When a homeowner wishes to refinance a superior mortgage and does not intend to pay off the CDBG mortgage, their refinancing lender will most likely require that the CDBG mortgage subordinate or allow the refinancing lender to be in a superior position to the CDBG mortgage. It is important to tell the lender about the CDBG mortgage when you apply for a refinance loan. The CDBG loans do not automatically subordinate, and you will be required to submit a request for subordination. Subordination for cash out will not be allowed.

**\*\*\* Subordination procedure\*\***- to refinance an existing mortgage to reduce interest rate or a comparable interest rate and extended payment terms, to obtain a loan for rehabilitating their primary residence (money must be held in escrow by finance company, and paid directly to the contractor, or lumber supply company) or for medical emergencies (paid directly by the finance company), to refinance an existing mortgage to halt foreclosure or tax deed proceedings. Subordinations will not be granted if there is any cash out, consumer loans, and or other loan products. The CDBG loan will be second in the mortgage position and will not subordinate for more than 100% of the fair market value.

## 15. Grievances

All applicants or participants have the right to file an appeal/grievance when there is a disagreement or dissatisfaction with a decision by our agency. The appeal process is initiated by filing a written letter regarding the grievance within fifteen (15) business days of the service decision.

**\*\*\*Grievance procedure\*\*\***- An applicant may appeal the decision of the Program Administrator by submitting in writing a request for reconsideration and the reason for the request to the Lead County with supporting documentation of why the request should not be denied. The appeal will be reviewed in an informal review by the Administrative Team. If the Administrative Team again determines the applicant ineligible, the applicant can file a formal appeal to the Housing Committee to be discussed at the next regularly scheduled Housing Committee meeting.