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— " *Strengthening our communities through opportunities and service* " —

Fulda Housing Rehabilitation FACT SHEET

Housing Repair Loans

The City of Fulda has received a grant of \$425,500.00 to provide housing repair loans to 20 income eligible homeowners living within the target area as outlined in the attached map.

The following eligibility requirements will apply.

- ◆ **Ownership** - The applicant must own or be purchasing a property within the City of Fulda. Ownership of property also includes life estates and Contract for Deeds, as long as the CFD vendors and the Life Estate remaindermen fall under the income guideline as well. Trusts are not eligible.
- ◆ **Occupancy** - The home to be improved must be the applicant's principal place of residency.
 - The applicant must live in the home a majority of the year.
- ◆ **Eligible Repairs** - Repairs that are permanent and necessary are eligible. Examples include roofing, foundations, siding, heating units, electrical, plumbing, and other health and safety items. Additions are not allowed.
- ◆ **Real Estate Taxes** - An applicant must be current with their real estate taxes in order to receive a Housing Repair Loan.
- ◆ **Insurance** – The home must be insured while the loan is in place.
- ◆ **Average Loan** - The average Housing Repair Loan is \$18,500. The homeowner will need to furnish a match 20%. SMOC will assist in determining the match and other resources that may be available to fund the match.
- ◆ **Income** - Homeowners who are classified as low to moderate income, as set forth in the following chart, are eligible to participate in the program.

HUD Section 8 Income Guidelines Effective FY 2016

HOUSEHOLD SIZE	Gross Income limits Murray County
1	\$39,000
2	\$44,600
3	\$50,150
4	\$55,700
5	\$60,200
6	\$64,650
7	\$69,100
8	\$73,550

Low to Moderate Income Loan Breakdown:

80% of the cost, 0% deferred loan*
20% homeowner's match.

***Deferred Loan** - The loans will be loaned as 0% deferred loans. This deferred loan requires no monthly payments and no interest will accrue if the property does not change ownership within ten (10) years. This deferred loan will be forgiven at the rate of 10% each year and will revert into a grant if the property does not change ownership within the ten (10) year period. With the **exception on life estates**, which have no descending forgiveness.

Housing Repair Process

The program will follow the guidelines as set forth below:

- ◆ **Application** – The applicant will need to complete a full application for the program that requires proof of property ownership, verification of income, and other eligibility requirements.
- ◆ **Application Ranking** – All applications submitted that are complete, signed, and accurate that include all the requested supporting documents will be ranked as per the date they arrive. Households that participated in the survey process and requested to be on the waiting list will have the first chance to apply for the funds. After 60 days, the applications will be opened up to the entire targeted areas. SMOC will review applicants for verification of eligibility based on the ranking system. All households will be served on a first-come, first-served basis.
- ◆ **Property Inspection** – SMOC will inspect the property, identify any housing problems, and will work with the applicant to determine what repairs should be done. **LEAD RULES AND REGULATIONS DO APPLY.**
- ◆ **Work Write-Up** - The SMOC Housing Inspector will develop specifications on the work to be completed and how the work should be done. The homeowner will select the contractor from a list of SMOC approved contractors that they would like to bid on their project and bid packets will be distributed to these contractors.
- ◆ **Bid Awards** – Following receipt of bids from the contractor, SMOC will meet with the owner and review the bids. The owner will then accept or reject the bids which have been submitted.
- ◆ **Repayment Agreement** - The owner shall enter into a repayment agreement with the City to accept the conditions of the loan. The repayment agreement will be filed at the County Recorder's Office.
- ◆ **Proceed to Work** - The SMOC inspector will send a letter notifying the contractor that work may begin at the owner's property. The contractor will be required to secure any necessary building permits from the City's Building & Zoning Office. In addition to the inspections made by the SMOC housing inspector, the City's Building Inspector may also make required inspections to verify compliance with building code requirements.
- ◆ **Payments** - Payments to contractors can be made on a full or partial basis as each contractor's work has been completed. One partial payment is allowed. In order to receive payment, the contractor must submit a lien waiver, a billing statement, and a signed completion certificate (all furnished). In order to make payment, the SMOC housing inspector must inspect the property. The homeowner must give signed permission to pay the contractor.
- ◆ **Project Completion** - Upon completion, a final inspection will be done and the project will be closed.