

CITY OF EAU CLAIRE
Department of Community Development
CDBG Housing Rehabilitation Loan Program
For Low Income Home Owners

I. Program Criteria

- A. Purpose: Provide funding for low-income families to do improvements to eliminate blight, conserve energy and to preserve the housing stock within the City of Eau Claire.
- B. Funding: The City of Eau Claire receives about approximately \$250,000 annually in Community Development Block Grant Funds from the U.S. Department of Housing and Urban Development.
- C. Target Area: Property must be in the City Limits of Eau Claire.
- D. Loan Amounts: A single family home is eligible to receive up to \$20,000, a duplex up to \$24,000, a triplex up to \$28,000, and four-plex up to \$32,000. The rehabilitation loan may not exceed 50% of the value of the property. All loan amounts are secured by a mortgage on the property and property must have sufficient equity to secure an additional mortgage.
- E. Income Eligibility: The applicant must have an adjusted annual income that does not exceed income limits set by the Department of Housing and Urban Development.
- F. Property eligibility: The assessed value of a single family home must be less than \$146,500, must be at least 25 years old, must require at least \$1,500 of rehabilitation work and must be physically and financially feasible for rehabilitation. If the property is located within flood plain, the rehabilitation work must be above the flood plain line. The property must have been owned for a period of one year prior to application for a home improvement loan.
- G. Eligible Improvement: The required work needed to correct existing violations of housing and maintenance and occupancy codes, all energy type improvements or general work needed to put the property in sound and readily maintainable condition. Eligible improvements are: roofing, insulation, siding, windows/doors, electrical, plumbing and furnaces, etc
- H. Terms: The interest rate is 0% for both installment and deferred payment loans. Installment loans require a minimum \$40 per month payment and have a maximum term of 20 years. Deferred payment loans are available to very low-income families.
- I. Loan Processing Time: The housing rehabilitation loans need to be approved by the Housing Authority of the City of Eau Claire Board of Directors.

For further information, please contact:

Rehabilitation Specialist

City of Eau Claire Housing Division

203 S Farwell St

PO Box 1186

Eau Claire WI 54702-1186

(715) 839-8294

ALL CRITERIA SUBJECT TO CHANGE

CDBG HOUSING REHABILITATION LOAN PROGRAM

Loan Processing Procedure

I. Application

- A. Applicant returns application and Housing Authority (Housing) staff reviews application to assure all necessary information (names, addresses, account numbers, etc.) is available to verify income, assets and mortgages.
- B. Applicant signs all release statements on all necessary forms.
- C. Verifications are sent and received (approximately 2 weeks).
- D. Upon receiving verifications, income and asset information is tabulated to determine income eligibility.
- E. Applicant is contacted to inform them of eligibility and if eligible, the inspection of the property may be completed at this time.

II. Inspection and Bid Specifications

- A. Inspection of the property(s) is conducted by the Housing Rehabilitation Specialist.
- B. The inspection is conducted to identify deficiencies in the property that may be financed through the CDBG Housing Rehabilitation Program.
- C. All deficiencies are reviewed with homeowner.
- D. Housing Rehabilitation Specialist writes a detailed specification of the work necessary to correct all deficiencies.
- E. Homeowner is sent a copy of specifications to review and approve. The project is then placed out for competitive bidding.
- F. The homeowner is given the terms and conditions of the loan.

III. Bidding

- A. The City of Eau Claire Housing Division must assure that fair and competitive bidding is conducted.
- B. The City will solicit bids from General Contractors (approximately 3 weeks), which are listed on an approved contractor's list in our office. However, any bonafide General Contractor is eligible to bid on these projects as well as any contractor known to the homeowner. The contractor must bid from the specifications provided from our office.
- C. Upon receiving the bids, they are turned over to the homeowner for review.
- D. The homeowner and Housing Authority staff meets to review the bids and choose the contractor.
- E. The City of Eau Claire Housing Authority will provide loan funds up to the amount of the lowest responsible bid. If the homeowner wishes to choose a contractor whose bid is higher but the

homeowner feels more comfortable with, he/she may do so, however, the homeowner must pay the difference.

- F. Once the contractor is selected and a dollar amount has been established, the loan is ready for presentation to the City of Eau Claire Housing Authority Board of Commissioners for approval.

IV. Loan Approval

- A. Housing Authority staff prepares formal application for loan approval.
- B. Final tabulations of income, assets and equity are prepared.
- C. The loan is presented to the City of Eau Claire Housing Authority Board of Commissioners.
- D. Homeowner is contacted as to the decision of Housing Authority Board, loan documents are prepared and loan closing time is set.

V. Loan Closing

- A. Loan closing is conducted and all loan documents are explained and signed.
- B. After a three day right to cancel period, the mortgage is recorded and order to proceed is mailed to contractor.
- C. Loan is set up with servicing bank (for installment loans only).
- D. Homeowner receives all signed loan documents.

VI. Construction/Disbursements

- A. Contractors have thirty (30) days to start work and a total of ninety (90) days to complete project. The contract is between the homeowner and the contractor, thus changes in the time frame are negotiable.
- B. Contractors are allowed up to three progress payments on the project, homeowner has to authorize progress payment, work is inspected by City Housing staff prior to payment, and 10% of drawdown is withheld until completion.

VII. Closeout

- A. Upon completion of payment, a final inspection is conducted by Housing Staff.
- B. Final payment is made to contractor, lien waivers are signed, and homeowner receives statement of closeout.

**HOUSING REHABILITATION LOAN PROGRAM
PRELIMINARY APPLICATION FORM
(OWNER OCCUPIED)**

Date/Time Received _____
(for office use only)

Applicant Name: _____ Soc. Sec. #: _____

Co-Applicant Name: _____ Soc. Sec. #: _____

Telephone Numbers: _____ (home)
_____ (cell) _____ (work)

Address of Property to be Rehabilitated:

(Street) (City/State/Zip)

HOUSEHOLD INFORMATION: Number of household members: _____

Males _____ Ages: _____, _____, _____, _____, _____, _____

Females _____ Ages: _____, _____, _____, _____, _____, _____

Female Head of Household: <input type="checkbox"/> YES <input type="checkbox"/> NO

INCOME

Please list below **ALL** persons in household who are 18 years old or older, even if they have no income (use back of page or separate paper if additional space is needed). Income includes, but is not necessarily limited to income from all gross wages, salaries, commissions; net income from farming or other self-employment, net income from the operations of real property; interest and dividend income; social Security, SSI, pensions, W-2, alimony, child support, and other benefit income. (NOTE: net self-employment income includes depreciation that has been subtracted for tax purposes.)

<u>HOUSEHOLD MEMBER</u>	<u>RELATIONSHIP (IE: son, daughter, etc)</u>	<u>SS#</u>	<u>BIRTHDATE</u>	<u>EMPLOYER</u>	<u>GROSS MONTHLY INCOME</u>

TOTAL HOUSEHOLD MONTHLY INCOME: \$ _____

PLEASE PROVIDE EMPLOYER ADDRESSES BELOW:

AVERAGE MONTHLY EXPENSES:

Mortgage (P&I):	\$ _____	Water:	\$ _____	Life Insurance:	\$ _____
Real Estate Taxes:	\$ _____	Other: _____	\$ _____	Health Insurance:	\$ _____
Homeowners Ins:	\$ _____	Auto / Vehicle:	\$ _____	Auto Insurance:	\$ _____
Heat:	\$ _____	Loan on Life Ins:	\$ _____	Other:	\$ _____
Electricity:	\$ _____	Other Real Estate:	\$ _____	<u>TOTAL EXPENSES</u>	\$ _____

ASSETS

List all assets including, but not limited to, (1) other Real Estate owned, (2) stocks/bonds, (3) checking/saving accounts, (4) Certificates of Deposit.

HOUSEHOLD MEMBER	BANK NAME/ADDRESS	ACCOUNT#	AMOUNT

INFORMATION ON THE PROPERTY TO BE REHABILITATED:

Please provide answers to the following questions:

- Is the property an owner-occupied property? **Yes** _____ **No** _____
- Have you ever had a City of Eau Claire Housing Rehabilitation Loan? **Yes** _____ **No** _____
 - If Yes, when: _____
- What is the date that the property was purchased? _____
- Have you filed for bankruptcy within the past seven (7) years? **Yes** _____ **No** _____
- Are Real Estate taxes current and paid in full? **Yes** _____ **No** _____
 - If No, how much is owed? \$ _____
 - If no, what years? _____
- Is your home in a floodplain? **Yes** _____ **No** _____
- What year was the home built? _____

Are there currently any mortgages, liens, judgments, land contracts, or other debts against this property? **Yes** _____ **No** _____

- If yes, please list all mortgages, liens, judgments, land contracts and other debt info below.

<u>TYPE OF LIEN</u>	<u>BALANCE OWED</u>	<u>ACCOUNT #</u>	<u>LENDER NAME/ADDRESS</u>

PLEASE NOTE: Incurring additional debt on this property, after completing this application, without notifying the City of Eau Claire Housing Authority, may result in the cancellation of this application and any resulting loan.

If you have a mortgage please complete the following information:

<u>TYPE OF MORTGAGE</u> <u>(conventional, FHA, VA, etc.)</u>	<u>ORIGINAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>MONTHLY</u> <u>PAYMENT</u>	<u>LENDER NAME/ADDRESS</u>
	\$	%	\$	
	\$	%	\$	
	\$	%	\$	

Homeowners Insurance Agent/Company: _____

Policy Expiration Date: _____

Agent Address: _____

Agent Telephone#: _____ Value of Policy: \$ _____

ALL APPLICANTS, PLEASE READ THE FOLLOWING, SIGN AND DATE:

I hereby certify that all information on this preliminary application form is true and correct to the best of my knowledge. I understand that submitting incorrect, incomplete, or false information on the application and verification forms may result in the cancellation of this application and any loan between the applicant and the City of Eau Claire. I understand that said information shall be kept confidential and used only for the purpose of this loan.

Signature of Applicant

Date

Signature of Applicant

Date

INFORMATION FOR GOVERNMENT MONITORING PURPOSES:

The following information is requested by the Federal Government and allows the Housing Authority of the City of Eau Claire to fulfill its reporting obligations. You are not required to furnish this information, but are encouraged to do so. The law provides that we may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this lender is required to note race and sex on the basis of visual observance or surname. If you do not wish to furnish the above information, please initial below.

Hispanic (check one) Yes No

BY LAW, YOU ARE NOT REQUIRED TO PROVIDE INFORMATION AS TO ETHNICITY AND RACE. IF YOU DO NOT WISH TO PROVIDE THIS INFORMATION, PLEASE INITIAL HERE. _____

White	<input type="checkbox"/>	American Indian/Alaskan & White	<input type="checkbox"/>
Black	<input type="checkbox"/>	Asian & White	<input type="checkbox"/>
Asian	<input type="checkbox"/>	Black/African American & White	<input type="checkbox"/>
American Indian/Alaska Native	<input type="checkbox"/>	Amer. Indian/Alaskan Native & Black/African American	<input type="checkbox"/>
Native Hawaiian/Other Pacific Islander	<input type="checkbox"/>	Other	<input type="checkbox"/>

**Send completed applications to:
City of Eau Claire Housing Division
203 S Farwell St
Eau Claire, WI 54701**

Attached is a "Home Improvement Needs" list. Please complete this form showing items you believe will need to be done.

Also attached is an "Items to Bring List". These are items that will be needed when your application is reviewed for funding. You can submit copies of these items with the application, if you wish.

HOME IMPROVEMENT NEEDS

After the determination of your initial eligibility by Housing Authority Staff A thorough inspection of your home will be conducted by the Rehabilitation Specialist and the Housing Authority HQS Inspector. To assist the Inspectors, please use the list below. Check any items you feel need repair. We will contact you to schedule the inspection.

- Floors _____
- Walls/Ceilings _____
- Interior Painting _____
- Heating _____
- Plumbing/toilet/sinks _____
- Water Heater _____
- Electric _____
- Smoke Detectors _____
- Windows _____
- Roof _____
- Insulation _____
- Siding/exterior painting _____
- Fascia/Soffits/Exterior Trim _____
- Foundation repair _____
- Porches _____
- Handicap Accessibility _____
- Other - describe: _____

ADDITIONAL COMMENTS:

HOW DID YOU HEAR ABOUT THE CITY'S HOUSING REHABILITATION LOAN PROGRAM?

- Friend / Relative
- Leader-Telegram
- Trading Times
- Internet (Website: _____)
- Other (please list): _____

ITEMS TO BRING TO THE APPLICATION INTERVIEW
(IF NOT INCLUDED WITH APPLICATION)

INFORMATION ABOUT YOUR INCOME & ASSETS

Employment Income: For every member of your household that works, bring the following information:

- Name, address, telephone number of employer
- Information about any changes you expect in your pay or the number of hours worked during the next twelve months
- Other type of income you expect to receive from employment such as tips, commissions, profit sharing programs, etc.
- Most recent Federal and State Tax Form
- Information about anything that may affect income during the upcoming twelve months

Benefit and Support Income: If any member of your household receives, or expects to receive during the next twelve months, any of the following types of income, bring name, address and telephone number of the source of the income and information about the amount received:

- Unemployment Compensation
- Social Security
- Supplemental Social Security
- Pension
- Disability Income
- Alimony
- Child Support
- W-2 or other Public Assistance
- Regular support from family members or friends

Amounts in Savings Accounts (including Christmas Clubs, Certificates of Deposit, IRA and Keogh Accounts)

and Checking Accounts: Bring the bank name, address, telephone number for all accounts and the most recent bank statement.

Real Estate You Own: Bring information about the current value of the property, abstract or title insurance, and the most recent property tax bill and receipt. If you own property and rent it out, bring the address of the property and the information about how much income you receive and what expenses you have for the property. (Bring the Schedule E from your most recent income tax forms.)

Stocks, Bonds, Trusts, Other Investments. Bring account numbers and statements on value of investments and information about income from investments.

Life Insurance Policies. Bring name, address and telephone number of Insurance Company and policy numbers.

Other Income. For any other type of income your family has, bring the name, address and telephone number of the source of the income and information about the amount of income, and any other written documents you may have that verifies the amount of income.

**DISCLAIMER, CREDIT STATEMENT AGREEMENT
and GENERAL RELEASE FORM**

I, _____ and I, _____
(Print Name) (Print Name)

currently residing at:

(Print Address, City, State and Zip Code)

hereby authorize the Housing Authority of the City of Eau Claire or its designated Agents, hereinafter referred to as the HA, to obtain and receive all financial information, documentation and records pertaining to participation and eligibility for its CDBG Rehabilitation Program.

This authorization hereby gives the HA the right to request all information including employment, residency, income, (including Federal and Wisconsin State income tax returns and W-2's), credit report(s) and banking information from all persons, companies, or firms holding or having access to such information that we can or could obtain from any persons, company or firm on any matter referred to above.

To the best of my knowledge, the information provided herein is correct. I understand that the providing of false information may disqualify me for consideration in the HA's Rehabilitation Loan Program. If any of this information changes prior to a signed contract, it is my responsibility to notify the HA so that an updated determination can be made on my status in its sole discretion.

I (we) agree to have no claim for defamation, violation of privacy, or otherwise against any person or firm or corporation by reason of any statement or information released by them to the Housing Authority of the City of Eau Claire for the purpose of this program. The term of authorization shall commence on the date of signature and be in force for a period of three (3) years, dated this ____ day of _____, 20____.

BORROWER:

APPLICANT SIGNATURE SOCIAL SECURITY NUMBER DATE

CO-APPLICANT SIGNATURE SOCIAL SECURITY NUMBER DATE

SEND COMPLETED APPLICATIONS TO:

**City of Eau Claire Housing Division
203 S Farwell St
PO Box 1186
Eau Claire, WI 54702-1186**