

Mortgage Terms:

The terms of the mortgage require:

- The home remains the primary residence of the owner.
- Taxes must be paid when due.
- The property must be kept fully insured.
- The property must be maintained according to local ordinance.
- If it is an installment loan, payments must be made as agreed.

If the terms of the mortgage are broken, then the loan must be paid back or the homeowner **may face foreclosure**.

Complaint Resolution:

Should a complaint come up between the homeowner and a contractor, a written complaint must be given to the Program Office within 30 days of project completion. The Program Staff will respond in writing in 15 days. If the homeowner or contractor is unsatisfied with the staff decision, a written appeal may be filed and a Review Committee will be formed. The Committee will schedule a hearing for the appeal. Both parties will be notified of the determination of the Committee within 15 working days of the hearing. If the complaint is still not resolved, it will be referred to the Dispute Resolution Center of Central Michigan in Lansing, Michigan.

The Housing Rehab Program recognizes the possibility of complaints claiming discrimination. Any discrimination complaints should be put in writing to the Shiawassee County Director of Community Development at 201 N Shiawassee Street, Corunna MI 48817. Within 10 business days, the Director shall investigate and respond to the complaint in writing.

How to Apply:

Applications are accepted throughout the year and are reviewed periodically by the Housing Programs Advisory Council. Applicants must complete an application and return it with the following items:

- Most recent one month of pay stubs or proof of social security payments, or other proof of income or assistance and last year's tax return.
- Copy of homeowner's insurance.
- Paid property tax receipts for the past three years.
- A warranty deed or land contract to the property.
- Application Fee (\$5 for single applicant; \$10 for two applicants)

Once the Program Office receives all the information, the staff will prepare your application for presentation to the Housing Programs Advisory Council. If the Advisory Council determines that you are not eligible for a loan through our program, then a written notice will be sent to you giving the reason(s) for denial.

Fair Housing Policy:

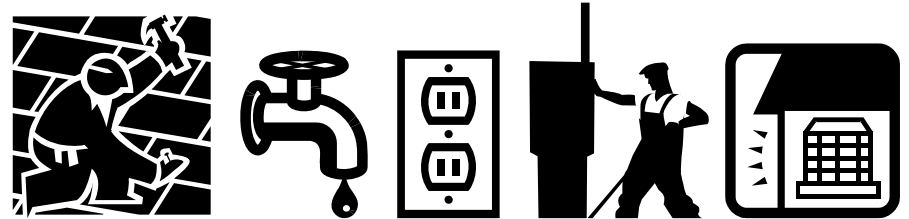
Shiawassee County will not deny assistance to any homeowner on the basis of race, creed, sex, color, religion, national origin, reliance on public assistance, age, disability, or familial status from participation in the Housing Rehab Program.

Revised July 2012

SHIAWASSEE COUNTY HOUSING REHABILITATION PROGRAM

c/o City of Owosso Housing Program Office
301 W. Main St. Owosso, MI 48867

Phone: (989) 725-0537 • Fax: (989) 725-0546



Program Policy and Guideline Summary

This is a brief guide for the applicant.
A complete Program Policy and Guideline
Booklet is available by request from our office.

Our Mission Statement:

The Shiawassee County Housing Rehabilitation Program provides loans to very low to moderate-income families who live in Shiawassee County to improve their standard of living by providing access to Federal and State housing programs. The Program promotes safe, decent and sanitary housing for county residents and helps to maintain and improve the older homes in Shiawassee County.



Eligibility Criteria:

➤ Gross household income must be within program limits. Proof of all income will be required.

Income Limits for Program Assistance in Shiawassee County						
# in household	1	2	3	4	5	6
Deferred Loan (local)	\$24,480	\$27,960	\$31,440	\$34,920	\$37,740	\$40,560
Installment Loan (local)	\$32,600	\$37,250	\$41,900	\$46,500	\$50,300	\$54,000
PIP Loan	Up to \$74,250 (depending on location)					

(Limits effective 2/12; Median Income = \$58,200) (Subject to change by MSHDA)

- Property taxes must be current on the property.
- The house must be insured.
- Own the home for at least six months before application for a local loan. The PIP loan can be used on newly purchased homes.
- A copy of your warranty deed or land contract must be sent with your application. If you have a land contract, the contract holder will be asked to give permission to do the work and also to sign the mortgage.
- The home must be the owner's primary residence, unless applying for a PIP loan.
- Homes receiving local loan assistance must be at least 20 years old. Special exception is made for energy conservation, handicapped access, or health and safety reasons. Priority is given to older homes that need improvements to meet basic housing standards, energy conservation, health and safety and other livability standards. Help is generally not available for newer properties that have very minor repair needs. Final determination of the work to be completed will be made by the program staff.
- Homes in 100-year floodplain are not eligible for Deferred or Installment loan dollars. PIP financing is available with proper flood insurance.
- Credit is an issue for PIP loans, but not necessarily on Deferred or Installment loans. Any bankruptcies must be discharged at least two years before program participation.

About Our Loans:

Deferred Loans: These loans are for very low-income households. The interest rate is 0%. If the loan is over \$2,500, a mortgage is placed on the property. This loan is repaid when the homeowner no longer lives in the home as their primary residence.

Installment Loans: These loans require monthly installment payments. If a loan is made in conjunction with another installment loan program (such as PIP, Rural Development or a bank loan), our Program will make our portion deferred until the homeowner no longer lives in the home as their primary residence. The interest rate is between 0% and 3% and is determined by the Housing Program Advisory Council. If the loan is over \$2,500, a mortgage is placed on the property.

Emergency Loans: Emergency assistance is available to families with incomes at or below the 60% median income level. Emergency loans are limited to \$10,000 per household and are limited to situations that present an immediate threat to the health or safety of the household members. Examples when emergency loans may be given include replacement furnaces, electrical or water repair, or sewer repairs. If the loan is over \$2,500, a mortgage is placed on the property. This loan is repaid when the homeowner no longer lives in the home or through installment payments.

PIP Loans: These loans can be used either along with CDBG loan dollars or can be applied for alone. An origination fee equal to 2% of the loan amount will be included in the loan amount. The interest rate charged is determined by the household income. Interest rates are 4%, 6% or 8%, depending on your income. If the loan is over \$7,499, a mortgage is placed on the property and there is a \$100 inspection fee that can be paid directly by the homeowner or financed into the loan amount.

Rehabilitation Standards:

All projects that received Deferred or Installment loan dollars must meet HUD's Housing Quality Standards (HQS) when work is complete. These standards deal with very basic health, safety, and energy conservation issues. To meet this requirement, you may have work done to the home that you did not plan on. Our staff will inspect the home and let you know the extent of the work required to meet HQS. As budgets allow, repairs and improvements that improve the basic livability of the home beyond HQS standards are allowed on a limited basis.

Lead Based Paint Hazard Reduction:

The Housing Rehabilitation Program requires all homes built prior to 1978 and funded by CDBG dollars undergo Lead Paint Inspection and Risk Assessment by licensed personnel. If Lead Based Paint (lbp) hazards are identified, it is a requirement of CDBG funding that these hazards be addressed. Funding for the testing and required procedures to eliminate hazards may be granted as project soft costs to the homeowner. Refusal to address lbp hazards will make that applicant ineligible to continue with the Program.

Homeowners who fail to keep a scheduled lead based paint risk assessment appointment must 1) Pay out of pocket any fees assessed by the Risk Assessment Contractor for failure to keep appointment; 2) reschedule with the Risk Assessment Contractor within one week; and 3) keep the second appointment. Failure to be at the second scheduled appointment will result in that homeowner being ineligible for assistance through the CDBG program.

Homeowners are responsible for removing all personal items and objects from lbp work site areas prior to construction work in that area. Large pieces of furniture may be left in the work site; however, they must be fully encased in plastic. It is HIGHLY recommended that all furniture also be removed.

Homeowners are not allowed in the work site area once work begins until the clearance report returns from the lab. If the homeowner is responsible for contaminating a cleaned area, they will be responsible for paying for the next clearance test. Once the work site is cleared, the homeowner may enter the area.

Types of Home Improvements:

All home improvements must be permanently attached to the property. They must also be moderately priced, but of lasting quality. Luxury items, such as hot tubs, are not funded through this program. Some past projects have included new roofs, roof repairs, painting or siding, energy efficient windows, new plumbing, handicapped accessibility, new or updated electrical service, and kitchen and bathroom remodeling.

All work funded by a Deferred or Installment loan is done by a licensed and insured contractor. Homeowner labor is only allowed on projects funded with PIP loans.