ADMINISTRATION PROCEDURE

HOUSING REHABILITATION PROGRAM (HRLP)

1. Applicant submits Application form and Qualification Summary Sheet to Citizen's Advisory Committee (CAC).

2. In Executive Session, CAC reviews Qualification Summary and Application to determine eligibility.

    A. If eligibility guidelines are met, CAC assigns a file number to the application.

    B. If eligibility guidelines are not met, CAC notifies applicant by mail that application has been denied and case is closed.

3. Within 15 days, at least two CAC members visit the site to view proposed rehabilitation project and report their findings to the rest of the CAAC.

    A. If the CAC finds the proposed rehabilitation plan to be appropriate for funding, the applicant will obtain TWO (2) estimates from qualified trades persons to be reviewed by CAC.
    B. If the CAC finds the proposed rehabilitation plan to be inappropriate for funding, CAC notifies applicant by mail of decision and reason for refusal.

4. CAC reviews all available information, negotiates with the applicant on terms and conditions of the loan.

5. Applicant/property owner signs Promissory Note for amount of loan, secured by Mortgage Deed to the Town of Windham. Mortgage Deed is given to Town Clerk for recording in the Windham Land Records. Applicant also supplies the Town with a Certificate of Insurance on the property for filing and each year until loan expires.

6. CAC will review loan status on a case-by-case basis, at least once a year.

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LOAN APPLICATION for

HOUSING REABILITATION LOAN PROGRAM

I. Philosophy

The Housing Rehabilitation Loan Program (HRLP), formally the Windham Community Development Program is a local project with the goal of promoting community development and improving the economic and living conditions of the people of the town of Windham. The Program began in 1980, with the implementation of a community improvement grant from the State of Vermont. The state grant has expired, and the small fund is now administered locally with no state involvement.

II. Guidelines for the Use of Funds

Funds are administered by the Citizens' Advisory Committee (CAC), a group comprised of residents of the town of Windham. A formal application procedure is required. Applications are reviewed on a first come/first served basis. Any application that meets eligibility guidelines is guaranteed review by the CAC. Amount of funds awarded depends on availability.

Eligible rehabilitation activities include: Exterior and interior structural, electrical, plumbing and heating repairs and improvements; fire and other safety improvements; energy conservation, septic system and water supply repairs and improvements. Priority is given to home improvements which are essential to the health and safety of the household.

A priority of the housing rehabilitation program is to serve elderly, handicapped and low-income owner-occupied homes, although moderate-income owner-occupied homes will also be considered. CAC will use the most recent HUD Income Guidelines and the Vermont Community Development Program to help determine eligibility.

This fund does not replicate other sources of funding. Qualifying households may want to pursue the SEVCA Weatherization Program or the FMHA 504 Home Repair Program.

III. The loan programs which may be considered are:

1. Indefinite Deferred Rehabilitation Loan – Elderly, handicapped and hardship applicants in owner-occupied structures may qualify for this loan. Family income must show an inability to repay a loan at any time. These loans are only paid back to the town if the property is sold or transferred.

2. <u>Time Deferred Rehabilitation Loan</u> – An applicant whose disposable income will not allow immediate repayment of a rehabilitation loan may qualify to get the loan payments deferred to a point in time when adequate debt relief can be anticipated. The deferred time should not exceed three years and status will be reviewed every (6) month with the applicant.

3. <u>Sliding Scale Installment Rehabilitation Loan</u> – An applicant will be reviewed for income and expenses. The disposable income will be the basis for determining the appropriate interest rate from 0% to 8% for their loan.

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APPLICATION
REHABILITATION
HOUSING REHIBIITAION PROGRAM

Applicants' Name: _____

Address: _____

Phone: _____ Today's Date; _____

What type of repairs are most needed?

_____

_____

_____

_____

Make a note if elderly (over 65 years old); handicapped; single parent household, or any other characteristics related to need:

_____

_____

_____

_____

Have you ever applied to SEVCA Weatherization Program or FMHA 504 Repair Program for theses repairs?

_____ Yes   _____No   _____ not applicable

If yes, what is the status of your application?

_____

_____

Are applicants' Windham property taxes paid?

_____Yes   _____No

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QUALIFICATION SUMMARY SHEET

NAME _____ CASE #_____ DATE_____ TOTAL PERSONS IN HOUSEHOLD ____

A. Program Eligibility Determination Based Upon Income

1. ADJUSTED GROSS ANNUAL INCOME [from previous year income tax form]: $ _____

B. Total Housing Expense Computations

2. TOTAL YEARLY HOUSING EXPENSE:

     a) PRINCIPAL AND INTEREST $_____

     b) MORTAGE AND INSURANCE $_____

     c) TAXES $_____

     d) HOMEOWNERS INSURANCE $_____

           TOTAL $_____

     e) HEAT & UTILITIES $_____

3a. TOTAL YEARLY HOUSING EXPENSE $_____   3b. TOTAL NET YEARLY INCOME $_____ [LINE 1 – 3a]

4. TOTAL YEARLY HOUSING EXPENSE (LINE 3a) $_____

5. LIABILITIES
     a) Installment loans (6 months or over) $_____
     b) Credit card (6 months or over) $_____
     c) Life insurance premiums $_____
     d) Auto insurance premiums $_____
     e) Auto expenses $_____
     f) Medical expenses $_____
     g) Food and clothing $_____
     h Alimony or child support $_____
     i) Other (explain:_____ $_____

6. TOTAL FIXED YEARLY PAYMENTS: [line 4 & 5(a-i)] $_____

7. _____ ÷ _____ = FIXED MONTHLY PAYMENT RATIO _____
    (TOT. FIXED YEARLY PAYMENTS)   (NET MONTHLY INCOME)

     [LINE 3a]   [LINE 1 ÷ 12]

8. NET YEARLY INCOME MINUS TOTAL FIXED YEARLY PAYMENTS = MONTHLY DISPOSABLE INCOME

          $_____ [LINE 3b ÷ 12]

9. RECOMMENDATION:

COMMITTEE USE ONLY