

CHIP..... Community Housing Improvement Program

Holmes County

What programs are currently available?



Owner Rehabilitation

The purpose of this program is to rehabilitate a one family housing unit, which is owned and occupied by low and moderate-income households.

Eligible items for this program include: installation and/or repairs to foundations, roofs, gutters, electrical upgrades, plumbing, furnaces, hot water heaters, insulation, windows, doors, accessibility improvements and lead based paint abatement.

This program provides deferred loans in an amount up to but not exceeding \$35,000 to low-income homeowners for the purpose of eliminating existing substandard housing conditions.

Eligible applicants must agree to (1) occupy the home for at least five years after the rehabilitation, (2) reimburse the program 15% of the total grant when the home is sold or vacated after 5 years, (3) reimburse the program on a sliding scale up to the total amount of the grant if the home is sold or vacated before the 5 year anniversary, (4) be willing and able to allow the administrating agency to retain a mortgage on the property and (5) be willing and able to reimburse the program as agreed if the home is sold or transferred as part of the current owner's estate.

Applicants interested in participating in the Owner Rehabilitation program must complete an application and call this office to schedule an appointment to submit their completed application. At that time, the completed application and all necessary documents will be verified to determine eligibility for the program. ***You must have a completed application and all necessary documents with you at this time or your application will be denied.***

The applicant cannot be delinquent or in default on present mortgage payment, homeowners insurance payments or property taxes.

Any changes in the household, such as changes in income, in employment or in number of persons in the household, which occur after the verification process but before the program contract is signed will result in a review of the applicant's eligibility. After completing this verification process, a rehab specialist will visit your home to perform a walk-thru inspection to determine your housing needs.

Eligible applicants will be processed according to the program's priority rating system, designed to benefit the neediest of the current eligible applicants. The system is based upon the applicant's income and quality of life issues, which exist in the housing unit.

Following the notification of acceptance in the program, the grantee is responsible for contacting four local contractors from the *Approved Contactor List*. The lowest bidder will be awarded the contract and approval to begin the repairs to the home.

Eligible homes must meet the Residential Rehab Standards at the completion of the project without exceeding the \$35,000 program limit. If the condition of the home cannot be successfully repaired or renovated to meet these standards without exceeding this maximum, the implementing agency will enforce a “walk-away policy” and the home will be considered ineligible.



Emergency Monthly Housing Payments

The purpose of the Emergency Monthly Housing Payments (EmHp) activity is to prevent a household’s inability to pay housing related costs from becoming a crisis, such as eviction, foreclosure or utility disconnection. EmHp will assist lower income households experiencing undue hardship and threatened with homelessness due to utility disconnection and/or eviction (for mortgage/rents arrearages). Furthermore, EmHp will assist individuals/families who find themselves homeless to move into permanent housing. Through this activity, assistance will be provided on behalf of the eligible household, in the form of a grant to providers of such items or services as rent, security deposits, mortgage payments, and utility payments.

In order to be eligible for assistance, an applicant household must meet all the following criteria:

- Be an “owner-occupant” or “renter-occupant” or “renter-occupant” of a single-family dwelling until (including industrialized/modular units and manufactured units commonly referred to as “mobile homes”) or become an “owner-occupant” or “renter-occupant” of a single-family dwelling as a result of the EmHp assistance.
- Have a total household income at or below 80% of HUD Section 8 medium family income limited (based on household size).



Home Repair – Emergency

The purpose of this program is to provide home repairs to one family housing units, which are owned and occupied by low and moderate-income households.

Eligible items for this program include: emergency repairs, handicapped accessibility, tap-ins, well and septic repairs or replacements.

Applicants interested in participating in the Home Repair program must complete an application and call this office to schedule an appointment to submit their completed application. At that time, the completed application and all necessary documents will be verified to determine eligibility for the program. ***You must have a completed application and all necessary documents with you at this time or your application will be denied.***

Home repair applications are considered on a first-come first-served basis

The applicant cannot be delinquent or in default on present mortgage payment, homeowners insurance payments.

Homes purchased under land contract do not qualify unless steps have been taken to legally record the land contract agreement.

Eligible projects must not exceed the \$8,000 program limit. If the condition of the home cannot be successfully repaired or renovated without exceeding this maximum, the implementing agency will enforce a “walk-away policy” and the home will be considered ineligible.



Rental Rehabilitation

The purpose of this program is to provide rehabilitation assistance to rental housing units. It is a first come first serve basis. It is designed to address all health and safety violations including lead based paint renovation. These units must be occupied by families having a total household annual income below 80% of the median income and must have a serious rehabilitation need. The items in need of rehabilitation will be determined by the Rehab Specialist with minor aspects considered by the landlord. The landlord will be asked to provide their contribution at the Pre-Construction Conference to guarantee the funds when the project is complete. To assure that rents remain affordable and units are occupied by LMI families, a re-certification of rent and income will be requested. A Re-certification of Annual Income and Rent will be mailed to the landlord and must be completed and returned to the office.

In order to qualify the following requirements must be met: Assistance will be limited to a minimum of \$1,000 and a maximum of \$14,999 per unit. A five mortgage will be applied to each unit that receives assistance. The property owners are awarded a forgivable 0% interest loan with a 5 year term declining 20% per year. This amount will reflect 60% of the total rehabilitation cost. Repayment will be required only if the property changes ownership or the landlord ceases to abide to the program guidelines during the term of the loan. The entire amount must be repaid if the 5 year period is not met.

Eligibility requirements: Mobile homes are not eligible under this activity. Manufactured homes will be considered providing they meet HUD Manufactured Homes construction Standards and are permanently supported on the lot and taxed as real estate. The client must maintain hazard insurance on the property to protect the investment of the public funds. Land Contracts are not eligible under this activity. Life Estates are not eligible under this activity. Any property that currently has a mortgage recorded on it from previous CHIP activities is not eligible until that mortgage is released.

Property Eligibility Requirements: For the Landlord to be eligible under this activity they must be financially able to provide the matching funds, be willing to adhere to the affordability and rent regulations and the property be suitable for rehab within the program limits.



Homebuyers Assistance

The purpose of this program is to assist low and moderate-income households in purchasing and rehabilitating modest, affordable, one-family housing units to be used as their principle residence.

Eligible items for this program include: down payment/closing cost assistance and items covered under the owner rehabilitation program.

This program provides down-payment assistance to low-income homebuyer's for the purpose of purchasing existing modest, affordable, one family homes to be used as their principle residence. The grants for this program cannot exceed \$5,000 and cannot be less than \$1,000. Funds may be used to provide financial assistance with down payments, appraisals, closing costs or any other fees associated with the purchase of a home.

Home Buyer Assistance applications are considered on a first-come first-served basis. Homebuyers must provide a letter of approval from a lending institution and a copy of their purchase agreement.

Grantees must contribute a minimum of \$500 of their own funds toward the purchase of a home under this program. The homeowner's P.I.T.I. (principle, interest, real estate taxes and homeowner's insurance) cannot exceed 30% of their gross monthly income. A current homeowner's insurance policy in the amount necessary to cover the total loss of the property is required. The grantee and funding source must be named on the policy

Clients participating in the Home Buyers Assistance Program are required to receive approximately seven hours of counseling in areas which include budgeting, home maintenance, lending and fair housing issues.

Eligible participants may combine funds from this program with other types of private or public mortgage financing, FHA, VA, or FMHA. Homes currently being purchased under a land contract will be considered for this program if the funds are used to convert land contract agreements to traditional mortgages.

The structure purchased may contain two dwelling units, may be a condominium, factory built or a cooperative unit. It must be on a permanent foundation and cannot be steel framed. The home must be sold by deed, not title.

Units must be vacant or be occupied by an owner who is voluntarily selling and vacating the property.

Owners of homes purchased under the Home Buyers Assistance program will be eligible for Owner Rehabilitation funds up to \$30,000 for renovation and repairs, additional terms and conditions of this program would then apply.

What else do I need to know?

Am I Eligible?

Any household in Holmes County whose total income of all wage earners (18 years or older) falls at or below the income guidelines for the program are eligible to apply.

How much money can I get?

The program does not guarantee funding to everyone who applies...*you may or may not qualify*. However, if you qualify, the program may provide funds up to \$35,000 per home for the Owner Rehabilitation program, up to \$8,000 per home for the Home Repairs program and up to \$5,000 per home for the Home Buyers Assistance program. Funding priority is determined by program guidelines, which include household income, the priority rating of your home, your housing needs and the availability of funds.

Do I have to pay anything?

Down Payment Assistance Payback Terms:

Yes, you must pay the mortgage-recording fee of approximately \$36.00 to \$44.00.

Yes, you must pay back a percentage of the full grant if you move or sell your property before The 10-year promissory note expires.

Yes, you must pay back 15% of the grant you receive when you vacate your property or Transfer after the 10-year promissory note expires.

Yes, you must pay the mortgage release fee on the anniversary of the promissory note.

Owner Rehabilitations Payback Terms:

Yes, you must pay the mortgage-recording fee of approximately \$36.00 to \$44.00.

Yes, you must pay back a percentage of the full grant if you move or sell your property before the 5-year promissory note expires.

Yes, you must pay back 15% of the grant you receive when you vacate your property or transfer after the 5-year promissory note expires.

Yes, you must pay the mortgage release fee on the anniversary of the promissory note.

When do I need to apply?

As soon as applications are available. Funds are limited and the program is extremely competitive at the local level.

When will I know if I get funded?

Completed applications for Home Repair and Down Payment Assistance are on a first come first service basis. However, applications for Owner Rehabilitation Projects must be received before the grant deadline. Applications are ranked by priority according to the program

guidelines shortly after the verification process. Selected clients will be contacted as soon as possible to schedule an evaluation of the condition of your home. The work will be performed by local contractors according to their schedule, usually within 30-60 days after signing the program contract.

Income Limits*

Household income is determined by the total gross income for the previous year reported on federal tax forms by all household members-18 years of age or older-living in the home. Applicable forms include IRS 1040, W-2's, SSA 1099 and others. Proof of current income must also be provided to ensure eligibility at the time of application and to determine an income projection for the next twelve months.

Program Income Guidelines

Household Members	Income Guidelines
1 person	\$30,100.00
2 persons	\$34,400.00
3 persons	\$38,700.00
4 persons	\$42,950.00
5 persons	\$46,400.00
6 persons	\$49,850.00
7 persons	\$53,300.00
8 persons	\$56,700.00

*Applicants whose total net assets equal an amount greater than \$100,000 are not eligible. Items considered net assets include but are not limited to: savings accounts, checking accounts, equity in rental property, inheritances, personal valuables, cash value of stocks, bonds and treasury bills, retirement and pension funds, collectables, and payments for mineral rights.

Conflict of Interest Resolution

If a conflict of interest should arise involving an applicant or beneficiary seeking assistance, the case will be reviewed at the request of any involved party. A determination will be made in an effort to be fair to all parties. Guidelines determine these possible conflict of interest examples:

- The applicant is an employee of Holmes County Commissioner's Office
- The applicant is an employee of the office contracted to administer the grant program.

This document was prepared in an effort to review the available programs and basic guidelines for those program The written procedures set forth the exact criteria used to determine eligibility for participation in these programs. If you have any questions about the programs outlined here, please contact Mary Hoxworth at The Holmes County Planning Commission at (330) 674-8625.