

# TOWN OF WEYMOUTH



## THE HOUSING REHABILITATION LOAN PROGRAM

**2016**

**Robert L. Hedlund**  
Mayor

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Director of Planning  
and Community  
Development



The Town of Weymouth's Housing Rehabilitation Loan Program is designed to provide **0% Interest Deferred Payment home improvement financing and technical rehabilitation assistance** to eligible homeowners undertaking necessary home repairs. The program, which is locally designed and administered, is funded through the Department of Housing and Urban Development's (HUD) Community Development Block Grant Program.

The application package contains a program description and list of eligible requirements. The application should be completed and returned along with all required documentation, to the Department of Planning and Community Development, Town Hall, 75 Middle Street. Applications will be serviced on a first come first served basis with priority given to lower income borrowers and residents of the Town of Weymouth's target neighborhoods.

No resident of the Town shall on the grounds of race, color, religion, handicap, familial status, national origin or sex be excluded from participation in, be denied the benefits of, or subjected to discrimination under any program or activity funded with funds made available under this program.

### **ELIGIBILITY GUIDELINES**

**INCOME** – Applicants gross household income cannot exceed low/moderate income limits established by HUD to be eligible for the program. Applicants must submit proof of all current income including wages, social security, pensions, AFDC, welfare benefits, rental income interest income and other sources as determined applicable. All income must be verified through the agency administering the benefits. Income information must be submitted for all household occupants over twenty (20) years of age. The HRLP uses the IRS 1040 Form AGI as its income determination standard. The following income eligibility chart shows maximum income, adjustments for family size.

<b>MAXIMUM GROSS HOUSEHOLD INCOME</b>	
<b>Family Size</b>	<b>Low Income</b>
<b>1</b>	<b>\$51,150</b>
<b>2</b>	<b>\$58,450</b>
<b>3</b>	<b>\$65,750</b>
<b>4</b>	<b>\$73,050</b>
<b>5</b>	<b>\$78,900</b>
<b>6</b>	<b>\$84,750</b>
<b>7</b>	<b>\$90,600</b>
<b>8</b>	<b>\$96,450</b>

(Effective July2016)

**PROPERTY OWNERSHIP** - Properties must be owner occupied with 1-4 dwelling units\*. Title to the property must be in the name of the applicant. In the case of joint ownership, all parties must agree to the loan and sign all applicable loan documents. Property taxes and assessment must be paid to date. \*Rental unit assistance may be

subject to agreement concerning affordability standards and tenant restrictions. A minimum of 51% of all rental property tenants must be under HUD's 80% of AMI adjusted for family size. Maximum rental for a defined affordability period must be no more than the greater of the current HUD published Fair Market Rent or HOME Program "High" rent for the Weymouth area.

PROPERTY INSURANCE – All properties must be covered by homeowner's property insurance. Properties located in a FEMA Flood Hazard area must carry flood insurance. Loan recipients must add the Town as a "mortgagee" under their HO insurance policy.

### **HOW DOES THE PROGRAM WORK?**

#### **FINANCING THE WORK**

Qualified homeowners will be eligible to receive 0% interest rate deferred payment home improvement loans through the Town's Housing Rehabilitation Program. All applicants must meet credit standards imposed by the Housing Rehabilitation Loan Program to receive assistance. **Loans will be secured by a mortgage lien on the subject property recorded at the Norfolk Registry of Deeds.** A recording fee of \$176. must be paid at the time of closing. Fees can be included in the loan amount.

#### **TERMS AND CONDITIONS\***

The terms of the loans are as follows:

- \$10,000 in financing will be available in the form of a 0% simple interest deferred payment loan for necessary housing rehabilitation repairs. No monthly payments are required on the loans. Deferred Payment Loans are due and payable on property sale, refinance or change in ownership interest. Owners may repay the loans at any time with no penalty.
- \$10,000 in additional financing will be available under the same terms and conditions for required lead abatement work.
- The maximum loan amount available through the Housing Rehabilitation Loan Program is \$20,000. Loans will not under any circumstance exceed the cost of approved rehabilitation work plus applicable closing and construction contingency costs.

#### **\*subject to availability of funds**

#### **FINANCIAL MANAGEMENT**

Loan closing will be held at the Town Hall. At the closing, the borrower will endorse all contract & closing documents. No funds will be distributed directly to borrowers. Loan proceeds will only be drawn for approved contractor payments and other closing costs. All contractor payment must be approved by the Rehabilitation Office and borrower in accordance with the construction contract.

#### **REHABILITATION GUIDELINES**

Homeowners will provide initial details of proposed property repairs as part of their

application. An inspection of the property will be conducted to determine possible housing code violations, and review eligibility of proposed work. **Repair of code violations, addressing conditions caused by deferred property maintenance and energy efficiency improvements are the program's priority. Luxury improvements are not allowed under program guidelines.** Final determination of eligible work items rests with the Housing Rehabilitation Program.

Applicants can receive assistance in developing a Rehabilitation Work List, outlining all proposed work, and an instruction package detailing procedures for soliciting bid proposals from qualified contractors. Homeowners may negotiate proposals with qualified contractors. Homeowners are required to obtain comparison bids on all construction projects and advised to review contractor references.

**A minimum of three (3) contractor bid proposals is required for all work items. Contractors must carry adequate Liability, Workmen's Compensation insurance and meet requirements of MA Home Improvement Contractor Registration. Additional MA & EPA contractor certifications are required for lead related work.**

**If owners select a contractor proposal other than the low qualified bid proposal they must provide private funds for the difference between the low bid proposal and the selected bid proposal.**

**"Sweat Equity"** - Homeowners undertaking their own repairs are eligible for reimbursement of the cost of approved materials only. No labor charge reimbursement is allowed for labor by the owner or immediate family.

#### **LEAD PAINT REGULATIONS**

**Compliance with HUD lead based paint regulations is mandatory. Applicants must review the attached Lead Based Paint Regulations and sign the attached lead paint notification certification.**

**A "Lead Paint Risk Assessment" is required for all properties where a painted surface will be impacted.** Costs for a Risk Assessment and follow up inspections will be added to the loan. Applicants who are required to abate lead hazards are eligible for up to \$10,000 in additional lead paint abatement assistance.

For further information on the Housing Rehabilitation Loan Program contact:

**Department of Planning and Community Development  
75 Middle Street  
Weymouth, MA 02189  
Telephone: 781-340-5015  
[jkudcey@weymouth.ma.us](mailto:jkudcey@weymouth.ma.us)  
Web page: [www.weymouth.ma.us](http://www.weymouth.ma.us)  
[e.caldeira@nwsoma.org](mailto:e.caldeira@nwsoma.org)  
Telephone: 1 617 770 2227 ext. 34**

**TOWN OF WEYMOUTH  
HOUSING REHABILITATION LOAN PROGRAM  
APPLICATION**

**Instruction:**

Please complete all questions on this application. If the information does not apply to you please enter N/A. Assistance in completing the application is available at the Dept. of Planning and Community Development.

**The following information must be submitted in order to process your application.**

- 1. Latest Federal Tax Form #1040**
- 2. Signed credit investigation release**
- 3. Verification of all income including:**
  - a. Wages (signed employment verification form)**
  - b. Social Security (retirement etc.)**
  - c. Rental income**
  - d. Dividend, interest income**
- 4. Copy of property deed**

**Personal Data:**

Name: \_\_\_\_\_ Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_

Spouse: \_\_\_\_\_ Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

Address: \_\_\_\_\_ Tel. # \_\_\_\_\_

\_\_\_\_\_

No. of Dependents: \_\_\_\_\_ Ages: \_\_\_\_\_

**Note: Minority group data is obtained for statistical purposes only. Data will be not be considered by any local or federal official in determining borrowers eligibility. If you choose not to provide this info. please check here \_\_\_\_\_ and sign below.**

Applicant: \_\_\_\_\_ Co Applicant: \_\_\_\_\_

\_\_\_\_ White \_\_\_\_ Black / African American \_\_\_\_ Black/Afr. Amer. & White  
\_\_\_\_ Hispanic \_\_\_\_ American Indian/ Alaskan Native \_\_\_\_ Native Hawaiian/Other Pacific  
Islander \_\_\_\_ Asian \_\_\_\_ Asian & White \_\_\_\_ Amer. Indian or Alaskan Native & Black or  
Afr. Amer. \_\_\_\_ Amer. Indian or Alaska Native & White \_\_\_\_ Other Multi Racial

\_\_\_\_ Male \_\_\_\_ Female

Female Head of Household \_\_\_\_ Yes \_\_\_\_ No

**Employment**

Borrower's Occupation: \_\_\_\_\_ Employer's Name \_\_\_\_\_  
Employer's address \_\_\_\_\_

Co-Borrower's Occupation: \_\_\_\_\_ Employer's Name \_\_\_\_\_  
Employer's address: \_\_\_\_\_

Other Family Member \_\_\_\_\_ Employer's Name \_\_\_\_\_  
Employers Address \_\_\_\_\_

**Social Security Income:**

Borrower's S.S.# \_\_\_\_\_ Amount of Benefits \_\_\_\_\_  
Spouse's S.S.# \_\_\_\_\_ Amount of Benefits \_\_\_\_\_

Supplemental Benefits \_\_\_\_\_

**Retirement Income:**

Name & Address of Company \_\_\_\_\_  
Amount of Retirement/Pension \_\_\_\_\_

**Other Income:**

Rental Property Location \_\_\_\_\_  
Gross Monthly Rent \_\_\_\_\_  
Interest Income \_\_\_\_\_ Yearly  
Assets, Bonds, Securities, etc. \_\_\_\_\_ Amount \_\_\_\_\_

Do you now receive child support payments, AFDC, welfare, unemployment or any other financial assistance from Federal, State or local government?

Yes \_\_\_\_ No \_\_\_\_ If yes, give details below.

\_\_\_\_\_

Total Current Family Income \$ \_\_\_\_\_

**Monthly Housing Expense:**

Original mortgage amount \_\_\_\_\_

Name of Lender \_\_\_\_\_

Unpaid Balance \_\_\_\_\_ Monthly Payment \_\_\_\_\_

Homeowner's Insurance \_\_\_\_\_ Monthly Payment \_\_\_\_\_

Property Tax/Assessments \_\_\_\_\_ (enclose copy of latest property tax payment receipt)

Utilities \_\_\_\_\_ Maintenance \_\_\_\_\_

Other \_\_\_\_\_

**Liabilities:** (Monthly loan, installment accounts, etc.)

<u>Article</u>	<u>Creditor</u>	<u>Monthly Payment</u>	<u>Balance</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Assets:**

Savings Account # \_\_\_\_\_ Bank \_\_\_\_\_ Balance \_\_\_\_\_  
Checking Account # \_\_\_\_\_ Bank \_\_\_\_\_ Balance \_\_\_\_\_ Bonds \_\_\_\_\_  
Securities, etc. \_\_\_\_\_ Other \_\_\_\_\_

Have you ever been obligated on a home or home improvement loan which resulted in foreclosure, deed in lieu of foreclosure or judgment?

Yes \_\_\_\_ No \_\_\_\_ Property Address \_\_\_\_\_

**Proposed Rehabilitation Work Description (attach estimates, etc. if available)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Privacy Act Statement:**

he information that you will be requested to provide as part of your application for financial assistance will be used to determine your eligibility. Although voluntary, failure to furnish any of the requested information may result in the rejection of your application. This information may be disclosed to your employer for employment and wage verification, your financial institutions for certification of account balances and to credit reporting agencies, but to no other parties except as permitted by law.

PENALTY FOR FALSE OR FRAUDULENT STATEMENT – U.S.C. TITLE 18, SECTION 1001 provides:

“Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing the same to contain any false or fictitious or fraudulent statements or entry, shall be fined not more than \$10,000; or imprisoned not more than five years, or both. “

*The below named applicant(s) certify that all information in this application is true to the best of their knowledge and belief. Verifications may be obtained from any source named herein.*

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date