

Village Of Gilman

Community Development Block Grant (CDBG)

This is a 0% interest, deferred payment loan. It will need to be repaid at such time the home is no longer your primary residence, you refinance to pay off credit card debt, defaulting on property taxes, house payments or not maintaining homeowner's insurance on your property.

CDBG & HOME: Repairs include: Heating, electrical, plumbing, roofing, siding, foundation repairs, well & septic systems, insulation, accessibility modifications, doors, windows, grab bars, lead & asbestos abatement, conventional loan 10% down payment/closing cost assistance with a local lender, New construction.

Limited funds will be available outside of the above areas on an emergency basis only. Emergency repairs will include the following: Well and septic replacement, lead based paint/asbestos abatement, hazardous wiring, heating or roofing.

To be eligible for these loans, gross household income for the year must be less than the maximum income amounts based on family size. Self employed income will be determined using previous 3 years tax returns.

<u>Family Size</u>	<u>Maximum Income</u>
1.....	\$47,600
2.....	\$54,400
3.....	\$61,200
4.....	\$68,000
5.....	\$73,450
6.....	\$78,900

Lead Paint information will be mailed to online applicants.

The following documents must be submitted with the application. Provide copies not originals of applicable documents.

CHECKLIST OF DOCUMENTS YOU WILL NEED:

- ___ Federal income tax returns for previous year for all adult members of the household. Self employed individuals must provide income tax returns for the three previous years.
- ___ All current award letters – SS, SSI, Disability etc.
- ___ Last 2 months of check stubs for all working members of the household or employer verified & signed printout containing this information.
- ___ Homeowner's insurance policy detailing coverage.
- ___ Completed applicable Verification forms (**in this application**)
- ___ Proof of full time student status if applicable
- ___ Last 2 months of statements for checking, savings, stocks, bonds, CD's, IRA accounts or any other sources of income.
- ___ Current statement of mortgage(s) that provide payment history, balance & interest rate.

Community Development Block Grant (CDBG) and HOME Program The Loan Process

Homeowner submits an application.

Eligibility is determined. Income eligibility is determined based on verifications from employer(s), Social Security, pensions and financial institutions. Home equity is calculated by taking 120% of the current tax roll fair market value of the property and subtracting the mortgage balance. This amount must be equal to or greater than the amount of the loan request.

Title search is requested. This report reveals liens, judgments, title ownerships, payment of taxes, mortgages. Delinquent taxes, judgments or liens must be satisfied before any loan is approved.

Inspection is conducted. Meet with the homeowner onsite to determine scope of rehab project. No cosmetic work or new construction is permitted. Periodic inspections are made when a Request for Payment by the contractor is submitted.

Loan approval is given by the TCHA's Board at their monthly meeting

Bids solicited by homeowner. Refer to "Bid Process" section for more information.

Homeowner comes to the Housing Authority office to sign paperwork. Promissory Note and Mortgage are recorded with the Taylor County Register of Deeds. The mortgage information is forwarded to the homeowner's insurance carrier and a certificate of insurance is kept on file.

Contractor's contract is entered into with the homeowner. Contractors are given 90 days to complete the work. In the event the contract needs to be adjusted from the original amount approved, the Housing Authority will complete a change order form. Change orders less than \$1,000 only require Housing Authority approval more than \$1,000 require signature approval of the Housing Authority, homeowner and contractor. No additional work will be paid for without a fully executed change order. Payment request forms will be signed by the contractor signifying work completed, the inspector signifying work is satisfactory and homeowner signifying acceptance of the work and amount to be paid to the contractor. 20% of the total contract is withheld until the final payment. Material and labor waivers are required for each payment request and for all materials and labor included on that payment request.

Homeowner will be notified in writing when the project is complete and loan is being closed. Periodic review is conducted of closed loans to verify insurance coverage and tax payments are current.

REPAYMENT POLICIES: CDBG and HOME Loans are 0% interest loans. Loan repayment will be deferred at no interest until any of the following occur at which time the loan becomes due and payable in full immediately.

- Housing unit ceases to be the borrower's principal place of residence or change of ownership.
- The client obtains a loan (a mortgage on the property) from a financial institute for consolidation of consumer debt, such as credit cards, automobiles or cash, or for any home equity loans other than for the sole purpose of rehabilitating one's primary residence.
- The client defaults on the loan by not paying the property taxes, mortgage payments or does not carry homeowner's insurance.

If any of the above occurs, the loan becomes due and payable in full immediately.

Rental Rehab – Landlords CDBG Loan only

In addition to all the above provisions, the following also apply:

A low interest rate is applied to your loan.

Monthly payments are required.

You must rent to low to moderate income families. Rent levels must meet HUD guidelines.

Note: HUD is in range with Taylor County rental units.

Keep this page for future reference

Bid Process

Homeowners are responsible for obtaining a minimum of 3 bids for each area of work on their rehab project. You may obtain more. TCHA will provide a list of approved contractors or you may choose your own. Five copies of the specifications for work to be done will be provided to you. Bids should be obtained within 3 weeks.

All contractors must meet TCHA contractor requirements before being awarded the project. The homeowner will contact the contractors providing each with a TCHA work write up of the project. Inform the contractor you are participating in the Taylor County Housing Authority grant program. They may contact the Housing Authority if they are unfamiliar with the program or have questions.

All bids must be faxed to (715) 748-1415, mailed or hand delivered to 224 S. 2nd St, Medford, WI 54451 by the deadline. Bids are accepted and reviewed by TCHA and the homeowner. The lowest, complete bid sets the base price. The homeowner is given a 110% leeway from the base price and may select any contractor they choose. If the contractor of choice is more than 110% of the low bid, the homeowner must pay the difference into escrow before work begins.

In order to keep the bidding process fair and the bids competitive, each contractor should bid the project just on the specifications . **DO NOT ALLOW CONTRACTORS TO SEE OR KNOW THE AMOUNT BID BY OTHER CONTRACTORS!** Contractors may have suggestions for different ways the work could be done. Those suggestions may or may not be acceptable under our program or within your loan limit. Contractors must bid the project according to the specs exactly as they are written. If they have suggestions, they should be submitted on a separate bid form and must include detail on how the work would be done, separating materials and labor. This will be reviewed to see if they are eligible and feasible.

The bid document is verification of how the rehab work is to be done. It should be specific, listing the size, weight, brand names of material to be installed, and the costs of the project. The material and labor amounts should be listed separately. The contractor should discuss product warranty and the terms of the warranty should be included on the written bid. You should be given a copy of the warranty provided by the manufacturer of the material. Beware of promises made in person or on the phone. Everything should be in writing. Take notes during the contractor's inspection making sure what you discuss is put in writing on the bid.

Most contractors will take notes while at your home and send the bid to you via mail or in person. If you do not understand something or feel something has been omitted, ask the contractor. Call the Housing Authority with questions or concerns not answered by the contractor.

Find out the basics by asking the contractor for samples of the material they will be installing. Examine them to make sure they are of the minimum quality listed on the specs and are acceptable to you. Keep in mind our program requires contractors to use good quality materials but funding does not allow the program to pay for "top of the line" material. If you want the best materials, you will have to escrow your own funds to cover the difference in cost before the project begins. Ask about color choices for siding, roof, windows doors etc. Ask when the work will begin and how long until completion. Ask if any of the work will be "subbed" out and who will be supervising the job. Ask about clean up procedures.

Once the contractor(s) has been awarded the project, the Housing Authority will send written notification to the contractors not chosen. The contractors not selected will be allowed to come to our office and view all written bids for your job. This allows them to see how competitively they are bidding and that the process was fair and within program guidelines. We will send contracts to the chosen contractors for their acceptance of your project. They will return the contract to the Housing Authority and contact you when they are ready to begin the work. Contractors have 90 days to complete the work.

Before any contract is awarded, the contractor must have on file with the Housing Authority a Certificate of Liability Insurance with \$300,000 bodily injury and \$100,000 property damage coverage and is in force for at least 90 days from the date the contract is signed. Homeowners are encouraged to check the references of contractors by calling and visiting some of the contractor's previous work sites.

The Housing Authority does not employ the contractors and does not guarantee the work of any contractor. If you have issues with workmanship, work practices, etc, you need to talk to the contractor directly. This contract is between you and the contractor not the Housing Authority.

Keep this page for future reference.

CDBG/HOME LOAN APPLICATION

Date Received _____
(office use only)

Applicant Name _____ DOB: _____ Social Security Number _____

Applicant Name _____ DOB: _____ Social Security Number _____

Telephone Number: _____ / _____ (home) _____ / _____ (work)

Residence Address: _____

If different from above _____

Email Address _____

Names of all property owners as shown on deed or land contract other than applicant.

Township of Residence: _____ Original purchase price of property \$ _____

Year property was purchased: _____ Age of Structure: _____

Number of children living in the home under the age of 6: _____

Total number of people living in the home (including applicant): _____

Is property insured? Yes _____ No _____

If yes, name of insurance company and agent: _____

Is there currently a mortgage, lien, land contract, or other debt against this property? Yes _____ No _____

The loan is needed to rehab/repair the following items: (Indicate if any are an emergency such as a failing septic system).

LOANS/DEBTS

List below all your outstanding debts including mortgages, vehicle loans, liens, judgments, credit cards, etc..

Type _____ Amount Owed _____ Lender Name/Address _____

Type _____ Amount Owed _____ Lender Name/Address _____

Type _____ Amount Owed _____ Lender Name/Address _____

Type _____ Amount Owed _____ Lender Name/Address _____

Type _____ Amount Owed _____ Lender Name/Address _____

Type _____ Amount Owed _____ Lender Name/Address _____

INCOME

Provide income information of all persons 18 years of age or older living in the home. Income includes, but is not limited to, gross wages, salaries, commissions, self-employment, income from the operation of real property, interest and dividend income, Social Security & SSI for (all members of the family), pensions, AFDC, alimony, child support, and other benefit income. If you are uncertain about including something as income, please list it below and the Housing Authority will review.

1) Name _____ Source of Income _____ Monthly Gross _____

Name/Address of Employer/Agency _____

2) Name _____ Source of Income _____ Monthly Gross _____

Name/Address of Employer/Agency _____

3) Name _____ Source of Income _____ Monthly Gross _____

Name/Address of Employer/Agency _____

4) Name _____ Source of Income _____ Monthly Gross _____

Name/Address of Employer/Agency _____

ASSETS

Based on policy, a portion of all assets are counted as income. Please list below any checking accounts, savings accounts, CD's, stocks, bonds, IRA's, retirement accounts, etc. as well as any other real estate owned.

Type of Account	Name & Address of Financial Institution	Current Balance/Value
Checking Accounts		
Savings Accounts		
CD's		
Stocks/Bonds		
IRA/Retirement Accounts		
Real Estate	N/A	
Other		

CONFLICT OF INTEREST

A program requirement is that the applicant identifies and discloses any potential conflict of interest. Conflict of interest may arise if an applicant for a loan is related by family or business ties to any employee, elected or appointed official or agent of a unit of local government who exercises any functions or responsibilities with respect to the Community Development Block Grant program activities. Below is a list of people whose work is related to the CDBG program. Please indicate in the space provided if you have family or business ties with any of those persons.

- ** Family ties are defined as: * Spouse, * Fiancée/Fiancé * Children and Children-in-Law * Brothers and Brothers-in-Law
 * Sisters and Sisters-in-Law * Parents and Parents-in-Law
 * Anyone who receives more than 50% of their support from the covered person (e.g., adopted child, foster child)

Do you have any family or business ties to any of the following people?

OFFICE	NAME OF OFFICIAL	No Ties	Business Ties	Family Ties	Please explain any relationship that exists
Gilman Village	Jane DeStaercke				
Board	Mark Person				
	Greg Steinbach				
	John Novitski				
	Ericka Bertsinger				
	Cheryl Rosemeyer				
	Dee Bornheimer				
Gilman Housing	Shirley Williams				
Board	Sally Erickson				
	Cheryl Rosemeyer				
	Sue Purkapile				
	Jane DeStaercke				
TCHA Staff	Jessica Mudgett				

Acknowledgement of Loan Closing Costs

Title search (\$100), inspection (varies) filing fees (\$30 each), septic system soil inspections (cost varies), and other fees are needed to process the loan. After your loan is approved by the Taylor County Housing Authority Board, these costs are included in your loan and become part of your mortgage.

If you should withdraw your application after it has been approved or we are unable to proceed because of judgments, liens, or unpaid taxes and the aforementioned costs have been incurred, you will be required to reimburse the Housing Authority these fees and any other costs incurred to the point of withdrawal.

A copy of the bill(s) will be given to you for your records. Signing this form is your acknowledgement of and agreement to pay for the services charged.

Signed: _____

Applicant Name

Date

Signed: _____

Applicant Name

Date

Witnessed: _____

Housing Authority Representative

Date

**AFFIDAVIT AS TO RECEIPT OF
“PROTECT YOUR FAMILY FROM LEAD IN THE HOME AND RENOVATOR RIGHT” PAMPHLET**

I hereby certify that Taylor County Housing Authority has provided me with a copy of the informational pamphlets, “Protect Your Family From Lead In Your Home and the Renovator Rights” pamphlet. I have reviewed this material and will retain the information for my records.

Signature of Applicant

Date

Signature of Applicant

Date

. Website submissions of this application will be mailed the Lead Pamphlet.

GENERAL RELEASE OF INFORMATION

Taylor County Housing Authority
224 S. 2nd Street, Medford, WI 54451
(715)748-1456 Fax 748-1415

To Whom it May Concern:

I/We have applied for a loan or housing assistance and hereby authorize you to release to Taylor County Housing Authority the requested information listed below.

1. Previous and past employment history including employer, period employed, title of position, income, and hours worked.
2. Disability payments, social security, and pension funds.
3. Child support, unemployment, public assistance and any other source of income.
4. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.
5. Current and previous Circuit Court, Criminal History, information in regards to the open to the public records law that may help determine the decision on assistance.

This information will be for the confidential use of the Taylor County Housing Authority in determining my/our eligibility for a mortgage loan or to confirm information I/we have supplied. Please complete the attached verification request.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed release of information will be kept on record with Taylor County Housing Authority.

Last, First, M.I.

Last, First, M.I.

Social Security #

Social Security #

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

Signature

Date

Signature

Date

NOTICE TO BORROWERS: This note to you is required by the Right to Financial Privacy Act of 1978. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or released by this institution or another government agency without your consent except as required by law.

Refinancing/Subordination

Subordinating to a loan means that Taylor County/Taylor County Housing Authority (Grantee) would allow a financial institution to hold their position on the mortgage.

The Grantee may elect to subordinate its mortgage to another lender under the following conditions:

The funds resulting from the subordination will be used to:

1. Refinance an existing mortgage to obtain a reduced interest rate.
2. Refinance an existing mortgage to obtain a comparable interest rate and extended payment terms.
3. Obtain a home equity loan for the sole purpose of rehabilitating their primary residence.
4. Refinance an existing mortgage as necessary to halt foreclosure proceedings by a bank or to halt tax deed proceedings by the county.

Taylor County Housing Authority will **not** consider requests to subordinate for consolidation of consumer debt, such as credit cards, automobiles or other “cash to homeowner” transactions, or for any home equity loans other than for the sole purpose of rehabilitating one’s primary residence. A subordination will not be awarded if it places the Grantee’s security interest in jeopardy as determined by standard underwriting practice, unless required to halt foreclosure or tax deed proceedings.

Homeowners who anticipate refinancing an existing loan and request that the Grantee subordinate its mortgage position, must submit in writing the following information:

- 1) The reason for the subordination request.
 - 2) The name, address, and contact person(s) at the cooperating financial institution.
 - 3) The new mortgage amount that would take precedence over the Grantee’s mortgage.
 - 4) Copies of estimates for any rehab/construction work being completed.
- a. Written requests for subordination agreements must be approved by the Taylor County Housing Authority. The subordination agreement must be drafted at the homeowner’s expense by the cooperating financial institution or legal counsel.

I hereby have read, understand, and agree to the above. I have received a copy of this page.

Signed

Date

No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

If you are applying for this loan to assist with a down payment to purchase a home, please answer the following 4 questions:

Financial Institution your are working with _____

Name of loan officer you are working with: _____

Have you chosen a home? _____ Yes _____ No

If Yes,

Address: _____

You are not required to answer the questions below. If you choose not to answer them, please check here ____

Age of Applicant: _____

Racial/Ethnic Background, Check One:

- Black/African American
- Asian
- White
- Hispanic
- Native American
- Native Hawaiian/other pacific islander
- Asian & White
- Black/African American & White
- American Indian/Alaskan Native or Black/African American
- Balance/other

I certify that the information I entered in this application is correct and accurate to the best of my knowledge.

Signature of Applicant

Date

Signature of Applicant

Date

Grievance Procedure

An applicant will be informed in writing in the event they are found ineligible for Home funding. If they wish to appeal this decision, they should do so in writing and mail to Taylor County Housing Authority, 224 South 2nd Street, Medford, WI 54451, Attention Jessica Mudgett, Executive Director, telephone (715) 748-1456. The appeal should state the name of the program and a short summary of why the decision is being appealed. The appeal must be filed within 15 days of receipt of the denial letter. The grant administrator will review the decision and respond in writing within 30 days.

Client Signature _____

Date _____

Client Signature _____

Date _____