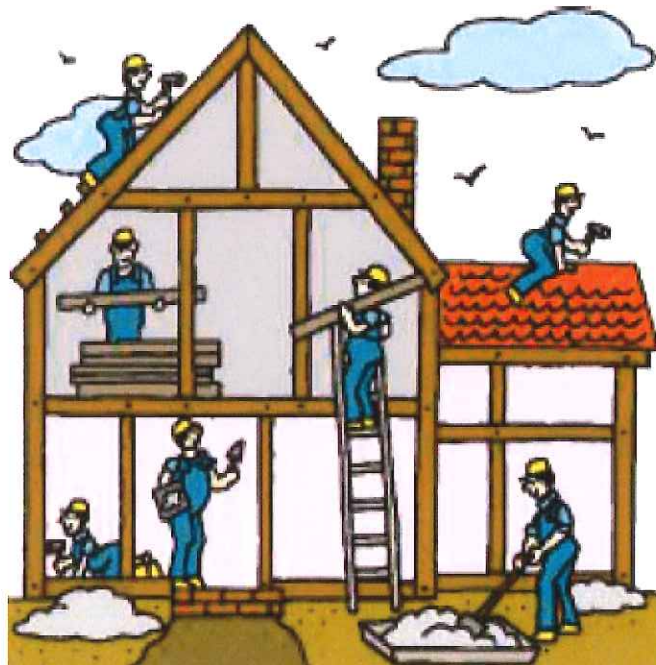




RESIDENTIAL REHABILITATION LOAN PROGRAM



PAWTUCKET REDEVELOPMENT AGENCY

Pawtucket City Hall
137 Roosevelt Avenue
Pawtucket, RI 02860
728-0500, Ext. 430



RESIDENTIAL REHABILITATION LOAN PROGRAM

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INTRODUCTION

The Residential Rehabilitation Loan Fund provides low interest, long term loans to eligible borrowers in order to provide decent, safe and affordable housing for the residents of Pawtucket. The loan program has specific eligibility criteria and requirements which are in compliance with the Federal Regulations under which the program is operated.

The Pawtucket Redevelopment Agency administers the Residential Rehabilitation Loan Program. Funds are available to eligible borrowers who demonstrate that they are making substantial improvements to residential property and have the financial capability to meet loan obligations. Repayments from these loans are part of a revolving fund, enabling the Agency to meet the future needs of residents in housing repair and rehabilitation.

The Agency follows standard underwriting procedures, similar to a bank, to determine an applicant's credit worthiness and ability to repay the loan. Please review the description of the Residential Rehabilitation Loan Program contained in this booklet. The Agency staff will assist in every way possible to respond to questions about the program or special situations. Inquires should be directed to:

Pawtucket Redevelopment Agency
Pawtucket City Hall
137 Roosevelt Avenue
Pawtucket, RI 02860
(401) 728-0500, ext. 430
8:30 a.m. - 4:30 p.m. (Monday – Friday)

The Pawtucket Redevelopment Agency is
an Equal Opportunity Lender

RESIDENTIAL REHABILITATION LOAN PROGRAM

ELIGIBILITY

The Residential Rehabilitation Loan Program provides loans to two categories of borrowers: the Occupant Borrower, primarily for repairs and/or rehabilitation of a single family, owner occupied home and; the Investor Borrower, for multi-unit residential dwellings where there is rental income. The following describes the basic eligibility requirements for each type of borrower:

OCCUPANT BORROWER

The Occupant Borrower is an individual or family that owns and occupies a single-family home as their primary residence.

If you are a single-family owner occupant, you are eligible to apply for a loan if your aggregate family income is below the income limits established by the U.S. Department of Housing and Urban Development. The maximum available income is determined by family size, as follows:

Income Limits:

<u>Family Size</u>	<u>Annual Income</u> <u>80% of Median Income</u>	<u>Annual Income</u> <u>50% of Median Income</u>
1	\$40,800	\$25,500
2	\$46,600	\$29,150
3	\$52,450	\$32,800
4	\$58,250	\$36,400
5	\$62,950	\$39,350
6	\$67,600	\$42,250
7	\$72,250	\$45,150
8	\$76,900	\$48,050

Effective: March 28, 2016
(Revised Annually)

INVESTOR BORROWER

The Investor Borrower is an individual, family, or group that owns a multi-unit residential structure of no more than six units. Even if the owner occupies one of the units, the fact that there are rental units places the applicant in the Investor Borrower category.

If you are an Investor Borrower, two conditions must be met to be eligible for a Residential Rehabilitation Loan:

- 1) At least 50% of the tenants must meet family income guidelines established by the U.S. Department of Housing and Urban Development, as listed on Page 2.
- 2) The rents being received cannot exceed the Fair Market Rents established by the U.S. Department of Housing and Urban Development, all rents include utilities (heat, electricity, water) as listed below:

Fair Market Rents

Number of Bedrooms	Rents
0	\$655
1	\$801
2	\$972
3	\$1,206
4	\$1,452

Effective: April 2016

These rents change periodically. Please check with the program staff for the most recent rents.

DEFINITIONS

Annual Aggregate Family Income –

Means the amount of verifiable annual income of the borrower, tenant, etc., from salary and wages, alimony payments, child support payments, maintenance payments, public assistance payments, interest from saving and rent collected.

Family –

A group of related individuals living together as a single household.

Fair Market Rents -

FMR's are established on an annual basis by the Department of Housing and Urban Development for each Metropolitan Statistical Area. The rent level for an area is determined by the amount that would be needed to rent privately owned decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. FMR's include cost of contract rent and all utilities except for the telephone.

RESIDENTIAL REHABILITATION LOAN PROGRAM
TERMS AND CONDITIONS

LOAN AMOUNT:

Owner occupied 3% loans may not exceed \$15,000 per dwelling unit, to a maximum of \$45,000 per loan. Absentee homeowners will receive up to \$15,000 per unit, to a maximum of \$45,000 at 5% per property. The minimum loan is \$5,000.

INTEREST RATE:

For all elderly owner-occupied property owners below 50% of median income, a 0% principal payment only rate.

For households between 50%-80% of median income;

For single family properties, owner-occupants, the rate is 3%.

For owner occupants of two (2) and three (3) family properties, the rate is 3%.

For all absentee owners & owner occupants with four (4) or more units, the rate is 5%.

TERMS:

All loans – the maximum term is 15 years

All properties with more than seven (7) units are subject to review by the Board of Directors of the Pawtucket Redevelopment Agency and are subject to Federal Davis-Bacon on wage requirements.

FEES AND EXPENSES:

Title Search	-	\$200.00
Record Deed	-	\$ 65.00

If extra Deeds are needed Recording Fee - \$65.00 each

All subordinations	-	\$100.00
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LOAN REPAYMENTS:

The homeowner will pay on the first of each month the payment due for that month at a local bank designated by the Agency. The borrower will receive a coupon book and make monthly payments just like any other installment loan.

The minimum monthly payment on all loans will be \$50.00 per month.

LEAD ABATEMENT ONLY

ELIGIBILITY:

There must be a child six (6) years old or younger living in the house.

LOAN AMOUNT:

Loan amounts may not exceed \$15,000 per dwelling unit, to a maximum of \$45,000 per loan.

INTEREST RATE:

All loans are zero (0%) Deferred and will be paid in full when title changes, re-mortgaged, or delinquent on Residential Rehabilitation Loan.

COLLATERAL:

The Agency requires a Mortgage Deed to secure a Lead Abatement loan. The Agency will not subordinate at a later date to a new mortgage greater than for the amount of any mortgage existing at the time of the closing.

The amount of outstanding debt on the property after completion of the Lead Abatement project cannot exceed 80% of the total appraised value of the property.

All properties must be inspected and any Code Violations **must** be corrected prior to receiving a Lead Abatement Loan.

RESIDENTIAL REHABILITATION LOAN PROGRAM
ELIGIBLE IMPROVEMENTS

- Code Violation Corrections
- Heating, electrical and plumbing systems repair or replacement
- Replacement or repair of ceilings, walls, floors, roofs, exterior siding, doors, and stairs.
- Exterior and interior painting.
- Removal of asbestos, lead base paint, or other hazardous substances.
- Kitchen and bathroom repairs.
- Energy efficiency improvements, such as insulation, weatherization or chimney repair.
- Windows
- Any work determined to be needed by the program inspector to meet minimum housing standards.

RESIDENTIAL REHABILITATION LOAN PROGRAM
CONDITIONS AND RESTRICTIONS

- 1) Loans are granted on a first-come, first-serve basis for as long as funds are available.
- 2) Once an applicant has received a loan, the applicant may re-apply for another if the original loan has been paid in full.
- 3) Applicants must be current with all payments for property tax, water bills, or other assessments due to the City of Pawtucket.
- 4) All property improvements must be approved by the Program Director.
- 5) Any existing Lead-Based Hazards lead paint which is peeling, cracking, scaling or loose and accessible to children under six (6) years of age must be eliminated.
- 6) Property must be insured in amount exceeding assessed value plus value of the loan. The Pawtucket Redevelopment Agency must be named as a loss co-payee on the insurance policy. Property in flood hazard areas must be insured against flood damage.
- 7) Renovations to structures of possible historic or architectural significance must be evaluated by the Rhode Island Historic Preservation Commission prior to loan approval.
- 8) Any property to be rehabilitated under this program must be in compliance with the Zoning Ordinance. Building, electrical, mechanical and plumbing permits must be obtained by the Contractor. Loan proceeds will not be disbursed for work done without a permit.
- 9) Single-Family owner applicants must certify that he/she intends to reside in the house to be rehabilitated for at least 3 years following completion of work. The loan is not transferable and the full loan balance is due, upon the sale or transfer of the property.
- 10) No contract can be signed between a Contractor and a homeowner before the loan closing. The Agency will not be responsible for payment for any work done before the loan closing.

- 11) The Pawtucket Redevelopment Agency Rehabilitation Loan Program requires that all jobs go out to general bid. The Agency staff reviews and approves all bids for reasonableness. The Agency reserves the right to re-reject unreasonable bids, or have the applicant pay for the difference between the low bidder and the Contractor selected.
- 12) All Contractors must provide the Agency with a Certificate of Insurance.
- 13) This program may be used in conjunction with other PRA programs, such as the Rental Rehabilitation Program or the Rhode Island Housing and Mortgage Finance Corporation Home Repair Loan Program.
- 14) If a borrower wants to do his own work, i.e. provide “sweat equity”, he/she must be a bona fide Contractor and provide appropriate insurance.

RESIDENTIAL REHABILITATION LOAN PROGRAM

PROCESSING PROCEDURE

- 1) Applicant's must complete and sign an application and submit the following documents:

ALL APPLICANTS

- A) Copy of your last Federal Income Tax Return
- B) Copies of Insurance Policy
- C) Appraisal, if required by the Agency
- D) General Release Authorization
- E) Copy of last pay check stub from each individual who works
- F) Employment Verification Authorization Form
- G) Self-Certification Form-2016

INVESTOR/INVESTOR-OCCUPIED

Complete A through G plus:

- H) Tenant Information Verification Forms
 - I) Self-Certification Form-2016 for each tenant
 - J) Financial Statement (if required by the Agency)
- 2) Upon receipt of a complete application, the Agency staff will review and verify all information. The applicant will be notified of eligibility.
 - 3) Once the applicant is determined to be eligible for a loan, a program inspector will schedule an appointment to visit the property to determine eligible improvements. Plans and Specifications may be submitted by the applicant or prepared by the Agency staff.
 - 4) Upon determination of the rehabilitation work to be done, the selection of the Contractor, according to Agency guidelines (see Conditions and Restrictions, #11) will proceed.
 - 5) Terms of the loan will be worked out between the homeowner and the program staff according to the homeowner's ability to repay the loan.

- 6) A loan closing will be scheduled. The homeowner will sign a promissory note and a mortgage deed for the amount of the loan. A loan agreement and a contract for the work to be done, between the borrower and the contractor, will also be executed.
- 7) The program inspector will check the work in progress to assure that it is being done in accordance with your plans, specifications, and contract. Prior to each payment, the inspector will make a progress inspection.
- 8) Before final payment you will sign a statement that all work has been completed to your satisfaction. The contractor will be required to provide you with a one year warranty and a release of all liens statements.

HOW TO APPLY

Call or write to the Pawtucket Redevelopment Agency for an application, or to ask any questions which you might have that this booklet does not answer.

Pawtucket Redevelopment Agency

Residential Rehabilitation Loan Program

Pawtucket City Hall

137 Roosevelt Avenue

Pawtucket, RI 02860

(401) 728-0500, ext. 430

PLEASE NOTE

All loan applications are reviews by the Agency Board Members. A report of each application will also be filed at a subsequent meeting of the Pawtucket City Council.

We advise you that Agency meetings and City Council meetings are all public meetings.

*** * * * ***

I have read this notice and understand that a notice of my application will be filed at a meeting of the Pawtucket City Council and that my application may be approved at a meeting of the Pawtucket Redevelopment Agency.

Signature

Signature

Date

**If you have any questions, please fee free to call Edward A. Heon, Jr.
at 728-0500, ext. 430.**

Residential Rehabilitation
Pawtucket Redevelopment Agency
Pawtucket City Hall
137 Roosevelt Avenue
Pawtucket, RI 02860
728-0500, ext. 430

OFFICIAL APPLICATION FOR FINANCIAL ASSISTANCE

NAME _____ SOC. SEC. # _____

ADDRESS _____ TELEPHONE # _____

ADDRESS OF PROPERTY _____ # OF APTS. _____

APPLICANTS AGE: _____ HUSBAND _____ WIFE _____ OTHER _____

NUMBER OF DEPENDENTS _____ AGES _____

HOW DID YOU HEAR ABOUT THIS PROGRAM? _____

MORTGAGE INFORMATION:

NAME & ADDRESS OF BANK _____

ORIGINAL MORTGAGE AMOUNT \$ _____ REMAINING AMT. \$ _____

MONTHLY PAYMENT – PRINCIPAL/INTEREST ONLY \$ _____

F.H.A. INSURED MORTGAGE YES _____ NO _____

DATE OWNER PURCHASED HOUSE: MONTH _____ YEAR _____

PURCHASE PRICE \$ _____

OTHER MORTGAGES:

NAME & ADDRESS OF LENDER _____

ORIGINAL MORTGAGE AMOUNT \$ _____ REMAINING AMOUNT \$ _____

PRINCIPAL/INTEREST PAYMENT (MONTHLY) \$ _____

EMPLOYMENT:

YOUR OCCUPATION _____

EMPLOYER'S NAME & ADDRESS _____

_____ NUMBER OF YEARS: _____

PREVIOUS OCCUPATION _____

EMPLOYER'S NAME & ADDRESS _____

_____ NUMBER OF YEARS: _____

SPOUSE'S OCCUPATION _____

EMPLOYER'S NAME & ADDRESS _____

_____ NUMBER OF YEARS: _____

PREVIOUS OCCUPATION _____

EMPLOYER'S NAME & ADDRESS _____

_____ NUMBER OF YEARS: _____

INCOME:

YOUR GROSS MONTHLY WAGES \$ _____

SPOUSE'S GROSS MONTHLY WAGES \$ _____

ROOM AND BOARD PAYMENTS \$ _____

CHILD SUPPORT \$ _____ ALIMONY \$ _____

RENTAL INCOME FROM PROPERTY TO BE REHABILITATED
(PLEASE PRINT EACH TENANTS FULL NAME AND PHONE #)

APARTMENT #1 _____ \$ _____
TELEPHONE # _____

APARTMENT #2 _____ \$ _____
TELEPHONE # _____

APARTMENT #3 _____ \$ _____
TELEPHONE # _____

APARTMENT #4 _____ \$ _____
TELEPHONE # _____

APARTMENT #5 _____ \$ _____
TELEPHONE # _____

APARTMENT #6 _____ \$ _____
TELEPHONE# _____

UTILITIES SUPPLIED: YES _____ NO _____

RETIREMENT INCOME:

NAME & ADDRESS OF COMPANY _____

AMOUNT OF MONTHLY INCOME \$ _____

SOCIAL SECURITY INCOME (if applicable)

YOUR S.S. # _____ AMOUNT OF BENEFITS \$ _____
SPOUSE'S S.S.# _____ AMOUNT OF BENEFITS \$ _____
S.S. DISABILITY PAYMENTS _____ AMOUNT OF BENEFITS \$ _____
OTHER RENTAL PROPERTY _____ \$ _____
ADDRESS _____
DIVIDENDS FROM STOCKS _____ \$ _____
INTEREST FROM SAVINGS ACCOUNTS _____ \$ _____
OTHER (EXPLAIN) _____ \$ _____

PRESENT MONTHLY HOUSING EXPENSES (AVERAGE FOR 12 MONTH PERIOD)

MORTGAGE PAYMENT (PRINCIPAL/INTEREST ONLY) \$ _____
FIRE INSURANCE \$ _____
REAL ESTATE TAXES \$ _____
MORTGAGE INSURANCE (S) \$ _____

MAINTENANCE – MONTHLY AVERAGE OVER THREE (3) YEARS \$ _____

DO NOT INCLUDE PROPERTY IMPROVEMENTS SUCH AS: NEW ADDITIONS, STORM WINDOWS, ETC.

HEAT & UTILITIES (AVERAGE MONTHLY)

OIL \$ _____ GAS \$ _____
ELECTRICITY \$ _____ WATER \$ _____

FIXED CHARGES:

FEDERAL AND STATE INCOME TAXES \$ _____
LIFE INSURANCE PREMIUM \$ _____
SOCIAL SECURITY AND RETIREMENT PAYMENTS \$ _____

ASSETS:

CASH ACCOUNTS (SAVINGS AND CHECKING):

NAME AND ADDRESS OF BANK _____
TYPE _____ AMOUNT \$ _____

NAME AND ADDRESS OF BANK _____
TYPE _____ AMOUNT \$ _____

U.S. SAVINGS BONDS _____ AMOUNT \$ _____

MARKETABLE SECURITIES (STOCKS AND BONDS)

NAME _____ AMOUNT \$ _____
NAME _____ AMOUNT \$ _____

OTHER REAL ESTATE:

ADDRESS _____ MARKET VALUE \$ _____
CASH VALUE OF LIFE INSURANCE _____
CASH VALUE OF AUTOMOBILE _____

LIABILITIES:

AUTOMOBILE: NAME/ADDRESS OF LENDER _____
AMOUNT DUE \$ _____ MONTHLY PAYMENT \$ _____

LIFE INSURANCE LOANS:

NAME & ADDRESS OF COMPANY _____
AMOUNT DUE \$ _____ MONTHLY PAYMENTS \$ _____

NOTES PAYABLE:

HOME IMPROVEMENT LOANS, PERSONAL LOANS, ETC.

NAME & ADDRESS OF LENDER _____
AMOUNT DUE \$ _____ MONTHLY PAYMENTS \$ _____

NAME & ADDRESS OF LENDER _____
AMOUNT DUE \$ _____ MONTHLY PAYMENTS \$ _____

INSTALLMENT OR CREDIT ACCOUNTS:

1. NAME _____ ACCT.# _____
MONTHLY PAYMENT _____ BALANCE _____
2. NAME _____ ACCT.# _____
MONTHLY PAYMENT _____ BALANCE _____
3. NAME _____ ACCT.# _____
MONTHLY PAYMENT _____ BALANCE _____

NAME & ADDRESS OF LENDER _____
AMOUNT DUE \$ _____ MONTHLY PAYMENTS \$ _____

THIS APPLICATION CERTIFIES ALL INFORMATION IN THIS APPLICATION IS TRUE TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF. VERIFICATION MAY BE OBTAINED FROM ANY SOURCE NAMED HEREIN.

SIGNATURE

DATE

SIGNATURE

DATE

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

“Whoever 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, fictitious or fraudulent statements or entry, shall be fined not more than Ten Thousand Dollars (\$10,000.00) or imprisoned not more than five (5) years, or both”.

**City of Pawtucket, Rhode Island
Lead Hazard Control Program**

Property Owner Participation Agreement

By requesting assistance from the Pawtucket Redevelopment Agency to eliminate lead paint hazards on the property identified below, I/we agree to abide by the following requirements:

1. The cost of the comprehensive lead inspection shall become the responsibility of the property owner (s) should the rehabilitation project not go forward to completion.
2. Property owners with occupied rental units must agree to pro-rate the monthly rent charged to tenants who are forced to be relocated because of lead hazard repairs for more than three (3) days.
3. Property owners with vacant rental units must agree to rent fifty percent (50%) of the lead hazard eliminated units to households with incomes at or below fifty percent (50%) of the area median income (see attached schedule) and rent the remaining lead hazard eliminated units to households with incomes at or below eighty percent (80%) of the area median income (see attached schedule).

In all cases, the property owner shall give priority in renting units to households with a child under the age of six (6).

These tenant selection requirements shall remain in effect for a period of thirty six (36) months following the date entered above.

Address of Subject Property

Property Owner Name (s):

Property Owner Signature (s):

Date: _____

**Pawtucket Redevelopment Agency
Residential Rehabilitation Loan Program
Conflict of Interest Disclosure Statement**

The Pawtucket Redevelopment Agency offers financial assistance to eligible residents and property owners from funds provided and regulated by the United States Department of Housing and Urban Development. The application material and loan documents reflect the regulatory requirements of the U.S. Department of Housing and Urban Development.

This form requires each applicant for financial assistance through the Pawtucket Redevelopment Agency to disclose potential conflicts of interest which are strictly prohibited under Federal Regulations. In general, an applicant must disclose a conflict of interest.

The Conflict of Interest provisions apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the City of Pawtucket, or of any designated public agencies funded by the City of Pawtucket through Federal programs, or other recipients of financial assistance from the U.S. Department of Housing and Urban Development.

No persons as described above, who exercise or have exercised any functions or responsibilities with respect to the Community Development Block Grant activities of the City of Pawtucket, or who are in a position to participate in a decision making process, or gain inside information with regard to such activities, may obtain financial assistance, or benefit from the assisted activities, or have an interest in any contract, subcontract or agreement with respect to the proceeds of the financial assistance, either for themselves or those with whom they have family or business ties.

Each applicant for financial assistance from the Pawtucket Redevelopment Agency must be familiar with the Conflict of Interest provision and acknowledge an understanding of the provision by signing this form. An applicant having potential conflict of interest may request a waiver of the provisions outlined above, after consultation with the PRA staff and a review of the particular circumstances which will determine the nature of the conflict and the grounds upon which a waiver would be requested.

ACKNOWLEDGEMENT: The undersigned acknowledges a full understanding of the Conflict of Interest provisions of the Pawtucket Redevelopment Agency Residential Rehabilitation Loan Program and certifies that the undersigned has fully disclosed any relationship which falls within the parameters of the Conflict of Interest provisions outlined above.

Signature

Signature

Date

At this time, are there any other family members or children within your household receiving income, including child support, from any source other than you have already stated in the Loan Application?

List Names and Relationship to Applicant

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

There is no other income, other than that stated in the Loan Application as submitted.

Applicant hereby certifies that the above is true.

Signature _____

Signature _____

Date _____

GENERAL RELEASE AUTHORIZATION

I (We) authorize the Pawtucket Redevelopment Agency to verify any information from any source named in the application in support of a Residential Rehabilitation Loan, which I (We) have applied for. Any pertinent information in respect to my (our) employment status, credit history, deposit verification and income information may be released to the above-named Agency.

Applicant _____

Co-Applicant _____

Date _____

REQUEST FOR VERIFICATION OF EMPLOYMENT		NOTE TO EMPLOYER	
A. Name, Address, and Zip Code of Applicant for Loan		<p>The applicant identified in Block A has applied for a Federal loan for property rehabilitation under Section 312 of the Housing Act of 1964, as amended and/or a Section 115 rehabilitation grant authorized under the Housing Act of 1949, as amended. The applicant has authorized this Agency in writing to obtain verification from any source named in the application. Your verification of employment is for the confidential use of this Agency and the U.S. Department of Housing and Urban Development. Please furnish the information requested below and return this form, using the stamped, addressed envelope provided.</p>	
B. Name, Address, and Zip Code of Applicant's Employer			
		<p>RATE OF PAY (estimated, if not actually paid on hourly or annual basis)</p> <p>HOURLY \$ _____</p> <p>ANNUAL \$ _____</p>	
C. Position Held		ADDITIONAL COMPENSATION - ACTUAL AMOUNTS RECEIVED PAST 12 MONTHS	
D. Dates of Employment		<p>Overtime \$ _____</p> <p>Commissions \$ _____</p> <p>Bonus \$ _____</p>	
E. Probability of Continued Employment		<p>If applicant is in military service, give income on monthly basis as follows:</p> <p>Base Pay: \$ _____</p> <p>Quarters & subsistence: \$ _____</p> <p>Flight or hazard duty allowance: \$ _____</p>	
F. Other Remarks		<p>Name, address, and zip code of Agency to which this form is to be returned:</p> <p>PAWTUCKET REDEVELOPMENT AGENCY 137 Roosevelt Avenue PAWTUCKET, RI 02860</p>	
SIGNATURE OF EMPLOYER		AUTHORIZATION	
<p>The above information is furnished in strict confidence in response to your request.</p>		<p>I hereby authorize release of the above requested information</p>	
Date _____	Signature of Employer _____	Signature of Applicant _____	