

# AHEAD REGIONAL HOUSING TRUST FUND

## GUIDELINES for: Owner-occupied Housing Rehabilitation Program and URGENT Repair Program

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**Purpose:** The Purpose of the AHEAD Regional Housing Trust Fund is to provide financing to assist in improving the stock of affordable housing within the counties it serves.

The AHEAD RHTF will consider financial assistance in the form of partial funding or full funding depending on the project and borrower circumstances.

**Eligible Projects:** Projects eligible for AHEAD RHTF funds include those that improve the condition of existing housing through rehabilitation and/or repair, OR provide URGENT (emergency) repairs to prevent homelessness or contribute to the development of affordable housing, in Davis, Jefferson, Keokuk, Mahaska, Van Buren or Wapello County. All projects funded must serve Davis, Jefferson, Keokuk, Mahaska, Van Buren or Wapello County households with incomes less than 80% of the HUD Mortgage Rate Based (MRB) income limit.

**Only projects that retain and improve the structural integrity of the home will be funded.**

**Application Procedure:** Applications will be accepted by the AHEAD RHTF on a continuous basis as long as funds are available. Completed applications will be reviewed for eligibility within 30 days of receipt. A visual inspection of your property may be done prior to recommendation to the AHEAD RHTF Board for final approval. Applicants will be formally notified of approval, contingency approval, or denial within 10 days of the final decision.

**For an application:** Application forms are available on-line ([www.area15rpc.com/RHTF](http://www.area15rpc.com/RHTF)) or available from local County RHTF Review committee sites (see Page 3 for locations)

**Return applications to:** Appropriate local County RHTF Review committee site (see Page 3 for locations)

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THE AHEAD RHTF RESERVES THE RIGHT TO ACT AS SOLE JUDGE OF THE CONTENT OF THE APPLICATION SUBMITTED FOR THE BOARD'S EVALUATION, SELECTION AND MAY, AT ITS SOLE DISCRETION, REJECT ANY OR ALL APPLICATIONS.

THE AHEAD RHTF WILL NOT BE LIABLE FOR ANY COST INCURRED IN CONNECTION WITH PREPARATION AND SUBMITTAL OF ANY APPLICATION.

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### PROGRAM CRITERIA

- Eligible Existing Properties: Housing unit must be located in eligible participating city/county (See Page 3). Housing unit must have an **assessed dwelling value** of \$20,000 or greater.
- Applicant must occupy the property and maintain the improvements for the life of the loan. Applicant must have title at time of application.
- Homeowners **below 30%** median family income are required to have at least **25% equity** in the home.
- Homeowners **above 30%** median family income are required to have at least **10% equity** in the home.
- Taxes and insurance must be current at application and be kept current for the life of the loan.
- Funding limits are set at: \$12,000 for housing rehabilitation -or- \$6,000 for URGENT REPAIR
- The AHEAD RHTF will finance projects through loans. (See Page 2 for income guidelines)
  - Type of loan and interest, if any, will be based on borrower's income.
  - Payments will be deferred or amortized based upon household income levels.
- Depending on income levels, applicant may be required to provide up to a 25% match towards the project cost. (See example Page 2)
- Loan will be repaid by owner in the event that occupancy or ownership conditions change during the loan term.
- Amortized loans with a monthly repayment schedule will have a term of 5, 7, or 10 years depending on loan amount.
- A mortgage will be required as security.
- AHEAD RHTF will be listed as a "loss payee" on homeowner's insurance policy for life of the loan. Proof of insurance must be provided to the RHTF on an annual basis for the life of the loan.
- Applicants will be required to obtain at least one itemized quote for the proposed improvements to the property and monies from the trust fund will be paid directly to the provider of the improvement. On some occasions, the AHEAD RHTF may require bids.

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### PROGRAM CRITERIA (continued)

- Applicant must hold fee simple title or a 99 year lease. Real-estate contracts are ineligible.
- Contractors that participate in our program must be a Registered Contractor with the State of Iowa, must be insured and, when determined necessary, be IDPH certified Lead Safe Renovators. Owner-applicant and/or non-registered contractor labor is an ineligible cost.
- Contractors will have 60 calendar days from the time the Notice to Proceed is signed by the homeowner (typically at Loan Closing) to complete the project.
- Assisted applicant homeowners & contractors will comply with applicable state and local rules/ordinances, including: building codes & permits, zoning & floodplain, lead-safe renovators/work practices, and asbestos inspection/removal.
- Inspections, upon completion of the proposed project, may be required.
- The AHEAD Regional Housing Trust Fund reserves the right to recall any loan if the above requirements are not met.

**MRB/HUD INCOME LIMITS:** (for households with more than seven persons please visit: [www.area15rpc.com](http://www.area15rpc.com))

Persons in Household	80% Median Income	65% Median Income	50% Median Income	30% Median Income
1	\$ 54,000	\$ 43,875	\$ 33,750	\$ 20,250
2	\$ 54,000	\$ 43,875	\$ 33,750	\$ 20,250
3	\$ 62,100	\$ 50,455	\$ 38,812	\$ 23,287
4	\$ 62,100	\$ 50,455	\$ 38,812	\$ 23,287
5	\$ 62,100	\$ 50,455	\$ 38,812	\$ 23,287
6	\$ 62,100	\$ 50,455	\$ 38,812	\$ 23,287

*Iowa Finance Authority (IFA) – May 27, 2015*

### TYPES OF LOANS

- If your annual income for your household size is  $\leq$  30% median income, you are eligible for a deferred loan with no matching funds required.
- If your annual income for your household size is 31% - 50%, you are eligible for a 0% loan with a 10% match of total project costs.
- If your annual income for your household size falls between 51% and 65%, you are eligible for a 1% loan with a 15% match of total project costs.
- If your annual income for your household size falls between 66% and 80%, you are eligible for a 2% loan with a 25% match of total project costs.

### MATCHING FUNDS

If your income is at or below 30% of median income, you do not have to provide matching funds, unless your home improvement project costs more than \$12,000 then you will need to make up the difference\*.

\*Funds for projects over \$12,000, or matching funds if required, can be obtained from a variety of sources, including personal funds, other loan funds, other grant funds, community housing funds (currently available in some communities), etc.

Matching funds, if required, will be collected and held in escrow by the Trust Fund before project begins.

## **INCOME AND AFFORDABILITY GUIDELINES ARE SUBJECT TO CHANGE ON AN ANNUAL BASIS.**

### **Nondiscrimination Statement**

In accordance with Federal law, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status. This is an Equal Opportunity Program.

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### ELIGIBLE JURISDICTIONS

- **Davis County** (rural)
  - Bloomfield
  - Drakesville
  - Floris
  - Pulaski
- **Jefferson County** (rural)
  - Batavia
  - Fairfield
  - Libertyville
  - Lockridge
  - Maharishi Vedic City
  - Packwood
  - Pleasant Plain
- **Mahaska County** (rural)
  - Barnes City
  - Beacon
  - Fremont
  - Leighton
  - New Sharon
  - Oskaloosa
  - Rose Hill
  - University Park
- **Keokuk County** (rural)
  - Delta
  - Harper
  - Hayesville
  - Hedrick
  - Keota
  - Ollie
  - Richland
  - Sigourney
  - South English
  - What Cheer
- **Van Buren County** (rural)
  - Birmingham
  - Bonaparte
  - Cantril
  - Farmington
  - Keosauqua
  - Milton
  - Stockport
- **Wapello County** (rural)
  - Agency
  - Blakesburg
  - Chillicothe
  - Eddyville
  - Eldon
  - Kirkville & Ottumwa

### COUNTY RHTF REVIEW COMMITTEE CONTACTS:

<b>Davis County</b>	Davis County Development Corp. ATTN: RHTF Committee P.O. Box 159 Bloomfield, IA 52537	641.664.2300
<b>Jefferson County</b>	Fairfield Economic Development Assoc. ATTN: RHTF Committee 605 South 23 <sup>rd</sup> Street, Suite #102 Fairfield, IA 52556	641.472.3436
<b>Keokuk County</b>	Keokuk County Supervisors ATTN: Michael Hadley 101 South Main Street Sigourney, IA 52591	641.622.2902
<b>Mahaska County</b>	LOVE, Inc. ATTN: RHTF Committee 500 High Ave. W Oskaloosa, IA 52577	641.672.2625
<b>Van Buren County</b>	Villages of Van Buren ATTN: RHTF Committee P.O. Box 9 Keosauqua, IA 52565	319.293.7111
<b>Wapello County</b>	Wapello County Supervisors ATTN: RHTF Committee 215 North Court Street Ottumwa, IA 52501	641.683.4630