

HOW TO APPLY

Interested homeowners should call Grants and Special Programs at (859) 258-3070. A preliminary application will be mailed to the property owner. Once the completed application is returned, the homeowners' name will be placed on the waiting list. This list is lengthy and may be up to a year long.

APPLICATION PROCESSING

All loans require the following documentation to be obtained by the financial specialist:

- *Verification of Income*
- *Verification of Deposit & Assets*
- *Credit Report*
- *Verification of Homeowners Insurance*
- *Verification of Mortgage*
- *30-Year Title search*
- *Appraisal*

MEDICAL ACCOMMODATION ASSISTANCE

The Housing Rehabilitation program allows for special home modifications to accommodate any household members' physical and/or medical condition(s). The financial specialist will request information from the applicants' physician relating to the members' condition and the needed accommodations.

THIS PROGRAM CAN:

- *Protect your home investment and your family*
- *Improve the value of your home and neighborhood*
- *Improve your family's quality of life*

FOR MORE INFORMATION

Contact

*Grants and Special Programs
200 East Main Street, 6th Fl.
Lexington KY 40507*

(859) 258.3070

grants@lexingtonky.gov

TDD: (859) 425-2095

HOUSING REHABILITATION PROGRAM

Grants and
Special Programs



LEXINGTON

PURPOSE

Grants and Special Programs administers a Housing Rehabilitation Program which is funded by the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Program (CDBG).

The Housing Rehabilitation Program provide loans and deferred loans of up to \$35,000 to assist eligible homeowners to rehabilitate their homes. Funds must first be used to eliminate violations of the Urban County Government's Property Maintenance Code. Remaining funds may be used to address energy conservation and handicapped accessibility, as appropriate.



ELIGIBILITY

Anyone who owns and occupies their house and whose income does not exceed the current income guidelines (based on family size) is eligible to apply.

Applicants whose income, according to family size, is less than 60 percent AMI, as defined by the U.S. Department of Housing and Urban Development (HUD) are eligible for a deferred loan.

Deferred loans do not require a monthly payment; however, a mortgage will be placed on the property for a period of 20 years; a 10 percent principal reduction will apply in years 11 to 20.

Applicants whose income, according to family size, is more than 60 percent AMI, as defined by the HUD are eligible for a repayable loan with an interest rate of 1.00% or 2.00% with a term of 20 years.

A mortgage will be placed on the property for the term of the loan.

Properties having more than one owner are eligible for assistance provided one or more of the owners occupy the property. Income eligibility will be based upon the income of the owner living in the property. The income of the absentee owners will not be used to determine eligibility. However, the absentee owners will be required to sign the mortgage on a loan or deferred loan.

The home's "after-rehab" value, as established by a qualified appraiser, must not exceed the "HOME Homeownership Values Limits," as determined annually by HUD.



INELIGIBLE APPLICANTS

Applications will be denied for those homeowners:

- whose incomes exceed the amount on the current income/family size chart;
- whose mortgages are in default (3 or more months in arrears)
- who have delinquencies with LFUCG, or who have State or Federal tax liens
- who have previously received financial assistance for housing rehabilitation through this program
- who have total assets of more than \$25,000. These assets include real property (excluding their principal residence and personal vehicles, 401K, pension, IRA, and other retirement accounts), stocks, bonds, CDs, mutual funds, cash, etc. In addition, property owners may not have more than \$10,000 in liquid cash assets in a checking, savings or money market account or equivalent at closing.
- whose home was purchased with HOME funds within the past 10 years.