

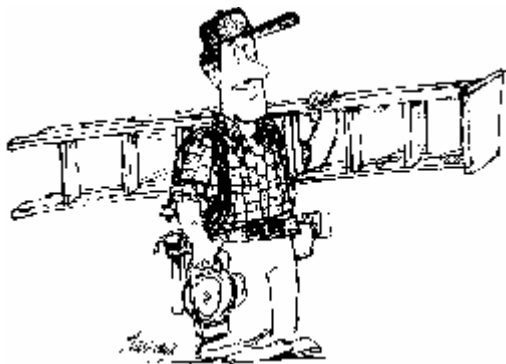
## What is the Residential Rehabilitation Loan Program?

Marin County receives an annual allocation of federal funds to provide assistance to low- and moderate-income residents through housing-related and public service projects. A portion of these funds have been made available to *Marin Housing* for the Residential Rehabilitation Loan Program.

The rehab loan program provides technical assistance to qualified homeowners and makes low-interest property improvement loans of up to \$35,000 for correction of substandard housing conditions and elimination of health and safety hazards.

Examples of eligible work include: foundation, termite damage and dry-rot repairs; plumbing, electrical and heating system repairs; roof work; door and window repair; stairs, deck and railing repair; emergency (disaster) repairs; energy conservation measures; and remodeling for wheelchair accessibility.

Loans may be made for the rehabilitation of owner-occupied single-family houses as well as for approved "second units" within these homes. Loans are also available for houseboats in approved berths.



## Questions and Answers

**Q** What are the terms of a rehab loan?

**A** The interest rate on individual rehab loans ranges from three points below market rate to as low as 4% per annum, simple interest.

**Q** Who sets the terms of the loans?

**A** Decisions are made on a case-by-case basis by the Residential Rehab Loan Committee, a representative group of community leaders and professionals in the social service, housing and banking fields. For each application, the committee takes into account the applicant's income, indebtedness and ability to repay the loan.

**Q** How long will I have to pay off my loan?

**A** The maximum term for amortized repayment is 15 years.

**Q** What if I can't afford monthly payments?

**A** In cases of exceptional hardship, a deferred payment loan may be approved by the loan committee. In these cases, no monthly payments are required, and repayment of the loan is deferred either for a specified period or until the property is sold or the title transferred.

**Q** Can I pre-pay the loan?

**A** A loan may be paid in part or in full, ahead of the maturity date without pre-payment penalties.

**Q** Are these loans assumable?

**A** No. Should the property be sold during the life of the loan, or should the title change for any reason, the outstanding balance will become due and payable.

--continued on back panel--

## Step-by-Step: What You Do and When

**1** After you complete your application, you are interviewed at your home by a rehab specialist who determines your eligibility. He or she does a preliminary review of the property and explains the program in detail.

**2** Following consultation with the local building department, the specialist reviews with you the proposed scope of work and helps you prioritize those items identified for rehab. If required, he/she will assist you in consulting with engineers and other building professionals and in soliciting bids.

**3** Once the final scope of work has been determined and bids obtained, your loan application is presented to the Residential Rehab Loan Committee. Upon approval, loan documents are drawn, the papers signed, and the loan funded.

**4** The loan funds are placed in a construction disbursement account. With assistance from the specialist, you enter into a contract with the parties selected to do the work and apply for a building permit. Upon issuance of the permit, construction can begin.

**5** The specialist assists you in monitoring construction and issues payments to the contractors as the work progresses. During this process, and upon completion of the project, the local building inspector inspects the work for compliance with building code requirements and the building permit. When the work is finished, the specialist issues final payments and closes out the project.

## Who Is Eligible?

To be eligible for the Residential Rehabilitation Loan Program, you must meet the following guidelines:

- ◆ You are the legal owner of the property in need of repair.
- ◆ The property is your principal residence.
- ◆ Your total household annual income is less than the current limits established for Marin County by the Department of Housing and Urban Development (HUD).

<u>Household</u>	<u>Income Limit</u>
1	\$39,600
2	\$45,250
3	\$50,900
4	\$56,550
5	\$61,050
6	\$65,600

*effective 3/20/07*

## How Do I Apply?

- ◆ Call *Marin Housing* at 491-2550 and request a rehab loan application.
- ◆ Complete the application; then call back and schedule an appointment at your home with the program's rehab specialist.

## For Your Use:

Contact person: \_\_\_\_\_

Telephone: \_\_\_\_\_

*--continued from other side--*

### **Q** Who performs the repair work?

**A** Generally it must be performed by a licensed contractor. The homeowner is responsible for selecting a contractor and entering into a construction contract. Rehab staff is available to advise the owner on his/her selection and on specific contract terms.

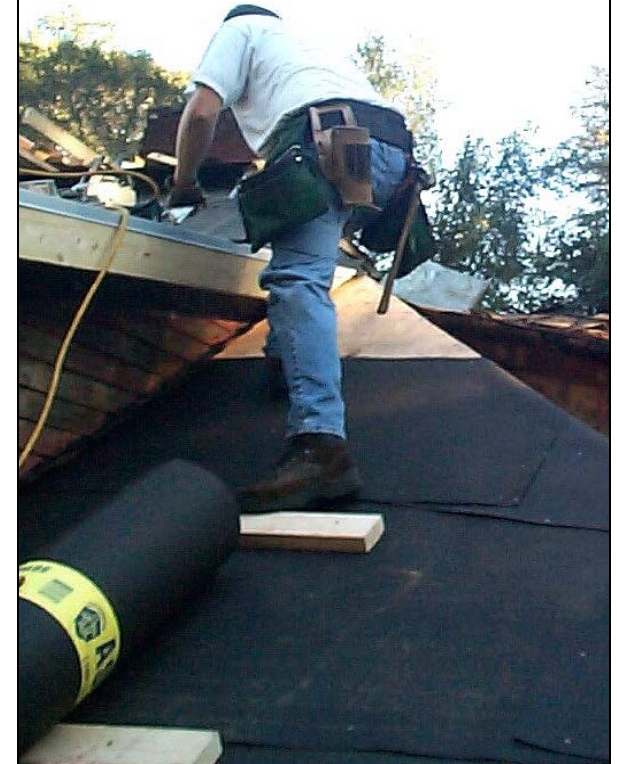
### **Q** Can I be my own general contractor?

**A** The owner has the choice of hiring a general contractor or engaging individual subcontractors and coordinating the job himself or herself.

### **Q** Can I do some of the work myself?

**A** If authorized by *Marin Housing*, an owner with skills in the building trades can perform some or all of the work. In those cases, loan funds can be used to pay for materials, or for outside labor, but not for the owner's own labor.

## Residential Rehabilitation Loan Program



A program offering low-interest property improvement loans and technical assistance to lower-income homeowners in Marin County for necessary home repairs.

1-800-735-2929  
TDD for the hearing impaired



4020 Civic Center Drive  
San Rafael, CA 94903  
415 / 491-2550

3/20/07