



## HOME REPAIR LOAN PROGRAM INFORMATION STATEMENT

This program is made available through the Pinellas County Board of County Commissioners. The purpose of the HOME REPAIR LOAN PROGRAM is to preserve the existing housing stock and encourage neighborhood improvement efforts. The program provides home repair loans to low-income and moderate-income homeowners at 0% (zero percent) interest. The program helps with the home repair process including identifying needed repairs, developing work plans, helping the owner to review proposals, and helping make sure the contracted work is completed before funds are released to contractors.

### ELIGIBLE APPLICANTS AND PROPERTIES

Applicants must meet income guidelines and either currently occupies the home being rehabilitated or plan to occupy the home immediately after repairs are completed. Eligibility is determined by household size. The household cannot earn any more than the amount shown on the [Maximum Annual Household Income Chart](#). Household income includes all income for all household members including employment income, interest income, social security, alimony and child support. For convenience, maximum incomes are shown in hourly, monthly and yearly amounts.

Properties may be located either within the unincorporated area of Pinellas County or within the municipal boundaries of one of the cooperating cities listed below. **NOTE:** The just value of the property cannot exceed \$151,000 as listed by the Property Appraiser's office.

Belleair	Indian Shores	Oldsmar	St. Pete Beach
Belleair Bluffs	Indian Rocks Beach	Pinellas Park	Seminole
Belleair Beach	Kenneth City	Redington Beach	South Pasadena
Dunedin	Madeira Beach	Redington Shores	Tarpon Springs
Gulfport	North Redington Beach	Safety Harbor	Treasure Island

At the time of loan closing, title must be recorded in the applicant's name in the Pinellas County Official Records. The property may be a single-family structure, or manufactured home, occupied by the applicant. Rental and income producing properties are not eligible. Mobile homes built prior to 1976 are not eligible.

### ELIGIBLE REPAIRS

Any repairs necessary to correct substandard conditions are eligible. The program sets priority on roof replacement, plumbing and sanitary system, electrical system, heating and air conditioning, window or door replacement, kitchen repairs, or other conditions

related to housing, health, fire, or safety standards. The HOME REPAIR LOAN PROGRAM may also be used to improve outdated kitchens and bathrooms, add living space, improve energy-efficiency, or provide access and conveniences for the handicapped. Site improvements such as landscaping, fencing, tree trimming, garages, security lighting, etc., may be included in the loan.

The HOME REPAIR LOAN PROGRAM may not be used to provide luxury items such as swimming pools and hot tubs, or purely decorative items such as draperies or furniture.

No loan funds can be paid to the homeowner or anyone other than a licensed contractor for labor on the structure. Loans cannot be used to reimburse for repairs already completed or expenses incurred prior to loan closing. All housing code deficiencies must be corrected. After rehabilitation, the property must meet "Minimum Standards for Rehabilitation of Residential Properties." A copy of these standards is available from the Community Development Department.

### **LOAN AMOUNT AND TERMS**

Loans are available at 0% interest and are generally amortized over a term of 15 years. The maximum term cannot exceed 20 years.

The minimum loan amount is \$3,000 and the maximum loan amount is \$45,000. In the event that more funds are needed, applicants may contribute from other sources or seek supplemental loans so long as loan security and the borrower's ability to pay are not impaired. However, all loans will be amortized so that the monthly payment will be at least \$25.00. The County's loan amount combined with the first mortgage amount cannot exceed 125% of the after rehab value of the property. If the loan amount exceeds \$10,000, and the first mortgage does not escrow or there is no first mortgage, payment will usually include an amount to escrow for taxes and insurance. All loans are secured by a mortgage and promissory note recorded in the Official Records of Pinellas County.

In some cases, very low income applicants may qualify to defer all or part of the loan repayment, interest free, for as long as they continue to own and occupy the property. Other repayments may be temporarily delayed or reduced in order to give the applicant time to address other financial matters. Deferred payments and alternative payment schedules must be authorized by the Community Development Department and will be based upon an analysis of the applicant's situation and ability to pay.

Households with one or more severely disabled persons may apply an additional \$10,000 towards special retrofits needed specifically to accommodate the person's disability. For purposes of this special provision, "severely disabled" is defined as having a permanent physical resulting from permanent whole body impairment with a rating of 55% or greater according to the standards promulgated by the American Medical Association in the most current edition of the "Guides to the Evaluation of Permanent Impairment."

## **LOAN PROCEEDS**

Loan proceeds are dispersed as work is completed or costs incurred. No advance payments will be authorized. No application fees, processing fees, points, or origination fees are charged. There are no out-of-pocket expenses to the applicant. All closing costs can be included in the loan. Closing costs associated with the loan are usually title insurance, credit reports, documentary stamps and recording fees. Other eligible costs may include 1) an appraisal (if needed), 2) an initial deposit to the escrow account to pay the next property tax and property insurance bills when they become due and 3) a temporary relocation allowance, up to a maximum of \$1,200 if it is necessary for the borrower to vacate the dwelling during construction. All costs are disclosed to the applicant prior to and at the time of loan closing. There is no prepayment penalty; borrowers may pay off any or all-outstanding principal balance at any time.

## **PROGRAM REQUIREMENTS**

Applicants must meet affordability guidelines in order to be eligible for a loan. In general, total monthly debt, including any payment for this loan should not exceed 50% of total gross income. However affordability will be determined on a case-by-case basis. In cases where the affordability does not meet these guidelines, payments or a part of the payments may be deferred as discussed earlier.

Loans are not assumable. Outstanding balances are usually due and payable if the borrower sells, rents, leases or otherwise vacates the residence. However, the Department will work with subsequent buyers to determine if they qualify to assume the mortgage.

## **LOAN ADMINISTRATION**

This program is administered through the nonprofit agencies. Please contact Community Development at (727) 464-8210 or [Apply on line now!](#)

Each agency works differently. But in general, an application will be mailed to the applicant or a personal interview and in-home visit arranged, if needed. A representative will meet with the applicant to walk through the property, discuss needed repairs with the homeowner, and help compile a list of items to be repaired or replaced. The homeowner will obtain cost estimates from licensed general contractors. It is recommended that at least three contractors be interviewed so that the owner can compare costs and bids, and determine which contractor with whom they would want to work. The agency will assist the homeowner by helping to review the estimates and advising the homeowner if the bids are complete and reasonable. The homeowner then selects a contractor to complete the work. The contractor must agree to comply with the Community Development Department's guidelines and to warranty the work for a minimum of one year. Once the homeowner selects a contractor, the agency will arrange for loan settlement. A draw schedule will be developed to determine how funds will be released to the contractor. A representative will inspect the contractor's work to confirm that it has been completed. Some agencies may require contractors to complete special training programs.

All loan payments are sent to SunTrust Mortgage, Inc., the servicing agent for Pinellas County Community Development loans. All loan payments are due on the first day of each month. There is a 5% late fee for any payment that is over 15 days late.

Review criteria and processing guidelines are determined by the Processing Agencies and approved by Pinellas County Community Development. It is not practical to list all possible requirements and terms in this abbreviated format. Interested residents should contact Community Development at (727) 464-8210 if they have questions or need more information about program requirements or processing. If any resident feels they have not received an adequate response to their inquiry, please contact the Single-Family Programs Administrator, at the address below.

<p>Pinellas County Community Development 600 Cleveland Street, Suite 800 Clearwater, Florida 33755 Phone (727) 464-8210 Fax (727) 464-8254</p>
--

*Our goal is to offer the residents of Pinellas County the highest quality service possible. We are always interested in any comments about the quality of our services or suggestions for ways to improve them.*