

WHO CARRIES OUT THE REPAIRS ON MY PROPERTY?

All rehabilitation is to be performed by a licensed and insured contractor. The contractor must also carry liability insurance, in case they damage your home and workers compensation insurance, in case one of their employees are injured while completing the rehabilitation.



There is a great deal of difference in price and quality among contractors. We strongly encourage you to shop around before returning any bids. All rehabilitation must be guaranteed for at least 18 months through the contractor.

The City of Lincoln Park cannot recommend any contractors due to potential liability but we will provide you with a list of licensed and insured contractors for you to investigate yourself.

TO APPLY:

Please contact the Home Rehabilitation Clerk at the Office of Community Planning and Development
Katie Saldivar @ 313-386-3100 ext. 2903
ksaldivar@citylp.com

These loans are made possible through the Community Development Block Grant (CDBG) Program, generated by the United States Department of Housing and Urban Development.

"Your Federal tax dollars at work for you making Lincoln Park an even better place to live, work, shop and play."

Doreen P. Christian, Director
Community Planning & Development
3240 Ferris, Lincoln Park, Michigan 48146
Phone: (313) 386-3100 / Fax: (313) 381-3202

Loans are subject to total allocation of funding received from HUD and further allocations made by the Mayor and City Council each year. This Loan Program is subject to discontinuation at any time without notice. This booklet is provided for information only and not as an inducement of any kind. This booklet does not establish rights to the reader or any other third party.

C.D.B.G. Residential Rehabilitation Loan Program



Mayor:

Thomas E. Karnes

City Council President:

Thomas Murphy

City Council:

Michael Higgins

Mario DiSanto

Larry F. Kelsey

Christopher Dardzinski

Thomas Parkinson

How the Loan Program Works:



The City of Lincoln Park offers two types of loans which can be used to rehabilitate your home. If your total family income is in the range of very low, as classified by the federal government, you may

qualify for a **Deferred** loan. A deferred loan is a 0% interest rate with NO monthly payments once the rehabilitation work is completed. There will be a lien, signed by the homeowner (s), placed on your home for the amount used, not to exceed \$20,000.00. Payment in full is required if you transfer ownership, sell, rent, refinance, pass away or otherwise cease to occupy the property as your primary residence. If your total family income is low moderate, as classified by the federal government, you may qualify for a **Low Interest** loan. A low interest loan has an interest rate (subject to change prior to signing the lien), with monthly payments required when the rehabilitation work is completed. There will be a lien signed by the homeowner (s), placed on your home for the amount used, not to exceed \$20,000.00. The monthly payment term cannot exceed 10 years. The lien for both loans will remain on the property until the it is paid back in full. **This lien may affect your ability to refinance your home, as the City does not automatically subordinate it's lien's***. Along with the lien, there will be other legal documents pertaining to the program that will require the homeowner (s) signature to obtain approval of the eligible loan. As with any legal document or process, you should seek the advice of your family lawyer or another professional advisor, if you do not understand. If you decide to take advantage of this loan program, you can start the process by calling the office today. (See reverse side for contact information).

REHABILITATE YOUR HOME
AND STABILIZE YOUR
NEIGHBORHOOD

Required Documentation:



The applicant (s) must provide the following (additional information may be required):

- Driver's license or State ID for all persons 18 years and older
- Social Security Card for all person residing in the home, of any age
- Most current recorded deed or quit claim deed
- Present monthly income from ALL sources including but not limited to: 6 months of current pay stubs, Pension statements, Social Security and/or disability statements, state assistance, current tax returns, W-2's, 1099's
- If applicable, current mortgage statement showing balance and past 6 months of consecutive on time payment statements
- Homeowner's insurance, declarations page - Flood insurance will be required if home is located in a Zone A Flood Zone per FEMA Flood Map
- Property taxes paid to date
- Water bill paid to date
- ALL other current statements for any other bills being paid
- Proof of ALL assets, to include statements from bank account (s), mutual fund (s), stock account (s) for previous three months



After Approval:

Once you have been approved for the eligible loan and all required documentation is obtain and signed, your home will be inspected by the City structural, electrical, plumbing and mechanical inspectors. There will also be a lead inspection and risk assessment performed on your dwelling. These reports will assist in determining what rehabilitation will be completed foremost.

- If lead hazards are detected in your home, they will have to be addressed by a certified lead abatement contractor.
- All contract (s) generated are between you and the contractor, the City will act as a witness and loan the money to you
- The City does not guaranty any work completed upon your property, your guaranty/warranty is obtained through the present contractor
- The City will not be responsible for relocation fees if you are required to leave your home during any construction

