

Compliance Loan Program - Terms

Loan Information

Loan type: Deferred Payment Loan (DPL)

Interest rate: Zero percent (0%)

Payment: No monthly installment payments will be accepted, loan is payable upon sale or transfer of property ownership. There is no prepayment penalty. However, payment must be paid in full.

Secured: Property owner(s) will be required to sign a mortgage securing the loan.

Maximum Loan Amount: \$15,000.00

Minimum Loan Amount: \$1,000.00

Fee*: \$125.00 Administrative fee to cover credit reports and recording charges.

*Fee can be included in the loan amount (cannot exceed maximum loan amount).

Eligibility Requirements

- 1) Owner occupant of a single family or duplex property.
- 2) There exists current outstanding DNS building code orders issued against the property.
- 3) Total Household Income must be no greater than 50% County Median Income (CMI) based on current Federal Housing and Urban Development (HUD) thresholds.

2013 HUD Income Limits	
Persons in Household	50% CMI
1	\$24,600
2	\$28,100
3	\$31,600
4	\$35,100
5	\$37,950
6	\$40,750
7	\$43,550
8	\$46,350
CMI = County Median Income	
Persons in Household = Total number of people living in household	

- 4) Property taxes on all property owned by the applicant must be paid in full or on an approved payment plan.
- 5) The total cost of repairs to correct all of the outstanding code violations listed on the DNS order cannot exceed the loan maximum and is greater than the loan minimum. Scope of repairs is limited to work necessary to correct the violations listed on the DNS order.
- 6) Owner cannot be in bankruptcy, an application may be considered if the owner is on a current Chapter 13 payment plan and the trustee provides written approval.
- 7) Property cannot be in foreclosure, outstanding mortgage(s) payments must be current.
- 8) Utility payments must be current (WE Energies, water bill, etc.)
- 9) The owner has property insurance.
- 10) Applicants must sign an application form authorizing DNS staff to access their credit history and agree to provide all required documentation necessary to determine program eligibility.
- 11) Program funding is limited, not all eligible applicants will be served.

Application Review

DNS staff will review completed applications once all necessary documentation has been submitted by the applicant. Household income will be based on the total annual income from all members of the household. Applicants will be required to submit proof of income for each working member of the household, i.e. wage statements, pay stubs, tax returns, SSI statements, W 2 statements, etc. Depending on the sources of income, additional documentation may be required.

Note: Household income must include all owners of the property even if they don't reside at the property.

Applicants who have provided all required documentation and have been certified as eligible by DNS staff will be considered for service.

Service selection process

Only a limited number of applicants will be served. Service Selection will be based on available funding, the extent in which providing the service will meet City's goals of protecting the health, safety and welfare of the public, reducing neighborhood blight, reducing potential abandonment and tax foreclosure. The selection process will consider an applicant's ability to correct the violations, options to resolve the code violations through other methods or programs, applicant's current and potential income, loan to value ratio, ability to continue residing in the property, previous DNS enforcement history, and other relevant factors.

To receive service, the applicant must agree to sign mortgage documents securing a lien against their property in the amount equal to the cost of repairs plus the \$125 administrative fee. The mortgage documents will be recorded with the County Register of Deeds.

Work

Scopes of work will be created by DNS. The scope will be limited to the work necessary to correct current outstanding building code violations listed on the DNS order(s). All work will be performed by licensed contractors and at the direction of DNS staff. Permits, where necessary, will be obtained prior to starting work.

DNS inspectors will inspect and approve all work. The completion of the scope of work will result in the correction of the code violations and the outstanding order will be abated. Contractors will be required to warrant their work for one year.