

## Portland Housing Bureau Home Repair Loan Program Guidelines

Passed 2015, Resolution 37138

### **PURPOSE**

The purpose of the Home Repair Loan Program is to stabilize current homeowners by addressing home repairs that would impact their health, safety, and ability to retain their homes long term.

### **DESCRIPTION**

Funds under this program are available as deferred payment, 0% loans. The loans are recorded liens against the subject property. Eligible work includes correcting code violations, addressing health and safety conditions and providing critical or incipient repairs, as allowed by the funding source. The terms of the loan as follows:

### **HOME REPAIR LOAN TERMS**

The terms of the loan as follows:

<b>Interest Rate:</b>	0% annual interest
<b>Loan Term:</b>	15 years
<b>Forgiveness:</b>	Forgiven after the 15 <sup>th</sup> year of the loan
<b>Loan Repayment:</b>	Payment is deferred until sale, trade, refinance, or no longer owner-occupied
<b>Loan Repayment Options:</b>	
1. Repayment in full	
	2. Structured Repayment Settlement (full or partial amount)
<b>Security Mechanism:</b>	Deed of Trust in second lien position
<b>Fees:</b>	Per PHB Fee Schedule
<b>Loan to Value:</b>	100%

### **Eligible Borrowers**

- Total household gross income is at or below 80% Median Family Income (MFI) as established annually by HUD
- Own and occupy the property as their principal residence at application and throughout the term of the loan

**Eligible Properties**

- Single family residences
- Located in City of Portland

**Eligible Renovations**

- Code violations or health and safety conditions
- Critical or insipient repairs
- Energy efficiency upgrades
- Other repairs as approved by PHB necessary to support retention of the home

**Maximum loan amount**

- Determined by equity available, combined loan to value up to 100%. Higher limits may be evaluated based on need and approved by the PHB Neighborhood Housing Program Manager
- Value to be calculated based on county assessed value or appraisal
- Up to cost of allowable work only

**Assets**

- Combined assets not to exceed \$20,000 (does not include subject property, two cars, retirement accounts, or assets producing earning that represent a significant portion of annual income)

**Security**

- Deed of Trust in first or subordinate lien position

**Property Value Determination**

- Real Market Value (RMV) as determined by tax assessor or acceptable appraisal, as needed

**Title**

- Clear title evidencing ownership, monetary encumbrances, and mortgaged property address.

**Property Taxes**

- Property taxes must be current or on deferred status

**Insurance**

- Homeowners insurance must be current
- Flood Hazard insurance required if in a 100-year flood plain

**Other**

- Assumable by qualified, eligible heirs
- Existing mortgage(s) must be current
- Total debt to income ratio should not exceed 60% of total gross household income, unless approved for a deferred payment loan, than debt ratios do not apply

**Applicable Federal Regulations, if Federal Funds are the source of funds**

- Flood Hazard Determination
- Site Specific Environmental Review
- State Historic Preservation Program
- Lead-based paint regulations

**Construction Monitoring/Disbursements**

- PHB will assign a construction coordinator to provide advice and assistance throughout the construction process
- Work must be completed within six months of closing
- Incremental disbursements made as work is completed and approved by both PHB and the homeowner