

**HOME IMPROVEMENT LOAN
PROGRAM**



Dear Applicant:

The City of O'Fallon will accept completed applications for its Home Improvement Loan program.

This program offers no-interest loans to a limited number of qualified O'Fallon residents to make improvements including safety and code violations. Please note that single family homes are awarded \$5,000 and mobile homes are awarded \$2,500. (Loans will be secured by a Deed of Trust, and a promissory note and agreement will be executed.) The loan must be repaid if the borrower transfers ownership of the property or refinances within five years of the date of the loan. If the applicant remains in the improved home for the entire five year period, then the loan will be forgiven.

To be considered for the program, each of the following requirements must be met:

1. **The applicant must:** a) be the fee simple owner and occupant of the single family dwelling to be improved, b) have no pending bankruptcies, c) have resided in the dwelling for at least one year prior to application, d) be either a first time participant or have previously participated and have met the five-year forgiveness time frame, e) not be a newly legalized alien, f) be current on their mortgage payments and real estate taxes, g) return a complete application package during the aforementioned period.
2. **The house to be improved must:** a) be located within the City of O'Fallon and not in a floodplain, b) have no outstanding federal, state or city tax liens.
3. **The household income** (including income of all household members over the age of 18) must not exceed the limits* which are established by HUD. [*See enclosed document entitled "Home Improvement Program Overview" for income limits.]

To satisfy the requirement for a complete application package, please complete and return the following documents during the aforementioned period:

1. **Four enclosed forms to complete:** a) "Household Information," b) "Eligibility Certification," c) "Declaration," d) "Release."
2. **Documentation to be attached:**
 - a) a copy of your most recent filed **federal income tax return including** schedules and attachments,
 - b) proof of all sources of income [most recent pay stub, W-2 forms, child support letter, divorce decree, interest and dividend statements, pension statement, annuities, Social Security statement, unemployment compensation, etc. – see enclosed "Eligibility Certification" form],
 - c) proof of ownership of your home [General Warranty Deed, Special Warranty Deed or Quit Claim Deed. **A Deed of Trust is not acceptable.** If the name of a deceased person appears on the deed, a death certificate is required. A copy of the Deed can be obtained in person at the St. Charles County Recorder of Deeds at 201 N. 2nd St., St. Charles].
 - d) a copy of all household and/or family members' Social Security cards and drivers' licenses.
 - e) a copy of your most recent mortgage statement or proof that the mortgage has been paid in full.
 - f) A copy of the most recent paid real property tax receipt. (available at the St. Charles County office if you do not have yours).
 - g) Bids for all anticipated home repairs, see requirements on page 3 of the Home Improvement Loan Program Overview (we would like residents to use O'Fallon businesses)
 - h) 2 photo copies of your home (one of the entire front of the house, one of the home at an angle that also provides a view of the street).

Please submit application materials by mail or in person to me at: 100 North Main Street, O'Fallon, MO 63366.

Important note: Priority will first be given to applications from low-income households on a "first come, first served" basis. After applications from low income households are considered, applications from moderate* income households will then be prioritized on a "first come, first served" basis. The time and date will be noted on each package upon receipt. [*See enclosed document entitled "Home Improvement Program Overview" for income limits.]

Alexis Jaegers
Public Assistance Specialist
City of O'Fallon
Phone - 636-379-5411
Fax – 636-978-4144
ajaegers@ofallon.mo.us



**CITY OF O'FALLON
HOME IMPROVEMENT PROGRAM**

HOUSEHOLD INFORMATION

1) Applicant's Name _____
[Please attach copy of driver's license.]

2) Address _____ Zip Code _____

3) Phone: Home _____ Business _____

4) E-mail address if you check it regularly: _____

5) Please check each category below that applies to a member of your household:

U.S. Citizen _____ Legalized Alien _____ Illegal Alien _____

Disabled _____ Vietnam Era Veteran _____ Disabled Veteran _____

6) List **all** household members living at your address, including yourself:

<u>Name (First, Middle, Last)</u>	<u>Social Security #</u>	<u>Age</u>	<u>Relationship to Applicant</u>	<u>Gender</u>	<u>Race/ Ethnic Group</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

7) Age of Home or Year Built: _____

8) Is your home located in a floodplain? _____

9) Is your home located near a major highway, roadway, railroad or airfield? _____



- 10) Is your home located near hazardous operations, a dump, landfill, or industrial site? _____
- 11) Do you have any past or pending bankruptcy? _____
- 12) Are the real estate taxes on this property paid to date/current? _____
[Please attach copy of most recent paid real property tax receipt.]
- 13) Are there any federal, state or local tax liens on the property? _____
- 14) Are all loans (i.e. first mortgage, second mortgage, home equity, etc.) that are secured by this real property paid to date/current? _____
[Please attach copies of your most recent loan statement(s).]
- 15) How did you find out about the program? _____
- 16) Are you a first-time participant in the program? If not, in what year did you previously participate? _____
- 17) When is the best time to contact you? _____

Please list projects or repairs you would like to complete with the proceeds of the loan, and estimate the cost of each. Please note that all code violations take precedence over other projects and repairs.

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

The undersigned hereby represents and warrants said information in this two-page Household Information form, to the best of his/her/their knowledge, is true and correct.

Applicant's signature

Address

Date

Co-Applicant's signature

Address

Date



CITY OF O'FALLON HOME IMPROVEMENT PROGRAM OVERVIEW

The City of O'Fallon has accepted a grant from the United States Department of Housing and Urban Development (HUD), to conduct the Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1974 as amended. The goal of the program is to provide financial assistance for the rehabilitation of private properties. The Home Improvement Program is available to eligible residents to make repairs to owner occupied property.

A. Eligibility – General

In order to be considered for the Home Improvement Program, the following criteria must be met:

- The applicant must:
 - Be the fee simple owner and occupant of the single family dwelling to be improved,
 - Have no pending bankruptcies,
 - Have resided in the dwelling for at least one year prior to application,
 - Be a first-time participant in the program, or be a previous participant who has met the five-year forgiveness time-frame
 - Not be a newly legalized alien,
 - Be current on mortgage payments and real estate taxes,
- The house to be improved must:
 - Be located within the City of O'Fallon and not in a floodplain,
 - And have no outstanding federal, state or city tax liens.
- The household income: To qualify as low income or moderate income, the total gross income of all members of the household over the age of 18 must not exceed these limits, which are established by HUD:

One-Person Household	\$43,050
Two persons	\$49,200
Three persons	\$55,350
Four persons	\$61,450
Five persons	\$66,400
Six persons	\$71,300
Seven persons	\$76,200
Eight persons	\$81,150

****Priority will first be given to applications from low income households [24 CFR 570.208(a)] on a “first come, first served” basis. After applications from low income households are considered, if there are funds remaining, then applications from moderate income households will be prioritized on a “first come, first served” basis.***



B. Eligible Repairs

Approved repairs or replacements necessary to maintain minimum housing code standards are eligible. Examples may include:

- Repair or replacement of water & sewage systems & their components: traps, vents, supply lines, drain lines, stacks, water heaters, faucets, sump pumps, drain tiles, septic tanks & fields.
- Repair or replacement of heating and air-conditioning systems and their components: furnaces, A-coils, compressors, thermostats, gas piping, flues, registers, ducts, etc.
- Repair or replacement of electrical systems & components, including installation of new service.
- Replacement of defective plumbing fixtures, including defective lavatory bowls, vanities, bathtubs, shower doors, shower stalls, toilet facilities, kitchen sinks, etc.
- Eradication of all serious insect, termite and rodent infestation.
- Correction or repair of insufficient exit ways.
- Repair of seriously deteriorated walls, wall tile, ceilings and floors.
- Repair or replacement of structurally defective concrete and wood porches, porch overhangs, steps and rails.
- Repair or replacement to roofs that are aged, damaged or leaking, including gutters, downspouts and splash basins
- Masonry and concrete flatwork including tuck-pointing, chimney repair, foundation repair, retaining walls, sidewalks, driveways, etc.
- Repair of exterior walls in order that the structure may be kept watertight, free from chronic dampness, weather-tight, includes siding, aluminum trip wrap, etc.
- Exterior and interior painting of all surfaces where needed as pertaining to repairs and code violations.
- Security items such as lock upgrades, plexi-glass instead of glass, etc.
- Exterior doors, storm doors, patio doors, garage doors and openers, etc.
- Installation of kitchen base cabinets, wall cabinets, countertops, etc.
- Repair of existing fences and the installation of new fences and gates.
- Moderate landscaping to correct problems, such as tree removal (in rare cases), branch trimming away from house, tie walls, backfill, seeding, etc.
- Modifications which improve the cost-effective energy efficiency of the structure per the Model Energy Code, including thermal replacement windows, attic and wall insulation, etc.
- Modifications which improve the accessibility of the structure for homeowners or their children with disabilities.
- Smoke detectors and carbon monoxide detectors.
- Compliance with the BOCA basic building codes.

C. Ineligible Repairs

- New construction, such as the building of a room addition, basement bedroom construction or related conversion, storage sheds, converting carports into garages, etc.
- Repair, replacement or the installation of appliances.
- Landscaping, when its purpose is not for the eradication of soil erosion or the diversion of water away from the structure's foundation.



- Remodeling work, when its purpose is to update or aesthetically change the appearance of the area rather than replace a defective component.
- Certain municipal violations such as grass cutting, trash removal, cleaning, derelict vehicle towing, etc.
- Construction of privacy fences, pool enclosures, or fences in excess of 48 inches in height.
- Security alarm systems, security bars on windows, doors, etc.

D. Application Process

Applications for the program are available at City Hall and online at www.ofallon.mo.us/CDBG.

Please note: *Priority will first be given to applications from low income households [24 CFR 570.208(a)] on a “first come, first served” basis. After applications from low income households are considered, if there are funds remaining, then applications from moderate income households will be prioritized on a “first come, first served” basis.*

E. Notification of Application Status

All applicants who submit a complete application package by the deadline date will receive a letter notifying them of either their acceptance or denial into the program. **These letters will be mailed within 4-6 weeks after receipt of the complete application package.** **Please note:** *Funds cannot be committed to any project until the Environmental Review is satisfied (see Sec. F and G).*

F. Initial Meeting and Inspection - Minimum Housing Code

After acceptance into the program, the Homeowner will review and sign the “Homeowner’s Agreement,” “Promissory Note” and “Subordination Policy.”

In addition, an initial minimum housing code and environmental inspection will be conducted for both the interior and exterior of the house before any work begins. **Any work started before the initial inspection is not eligible for CDBG funds.**

Housing code violations *are* eligible repairs under this program, and must be corrected before work that is not required for code compliance. The homeowner must acknowledge that all housing code violations may *not* be abated under the scope of the work; however any items marked “required” must be completed and certified at the final inspection.

G. Obtaining Bids, Contracting and Completion of Work

- 1) To obtain a minimum of three formal, written bids for each project to be completed and
- 2) To select a contractor and
- 3) To submit all bids to the City of O’Fallon’s Public Assistance Specialist for review and approval with application package and
- 4) To submit a W-9 and Certificate of Insurance along with bids of the contractor/s you choose



The homeowner must ensure that the selected contractor is licensed, registered with the Secretary of State’s office, obtains the necessary permits and licenses from the City of O’Fallon, and is insured for liability and insured or bonded for completion of the work.

The homeowner must ensure that the chosen contractor agrees in the written contract to:

- 1) **Complete the work within 4 months of the initial inspection date, or pay a penalty if the deadline is not met without good cause,**
- 2) Accept payment from the City after the City inspection in the form of a check which will be made out to the contractor and mailed,
- 3) Provide contractor’s Social Security number and/or federal identification number,
- 4) Provide homeowner with lien waivers for all material and labor.

Failure to meet the timeframes under this section (Section G.) may result in the homeowner being suspended from the program.

H. Final Inspection - Minimum Housing Code

Two weeks before the work is expected to be completed, the homeowner shall contact the CDBG Administrator to schedule a final inspection and request a check. All work must be approved by a City Building Inspector before final payment will be made.

I. Payment for Repairs - Loan Disbursement

When all repair items are completed and pass final inspection, a check will be requested based on the contract amount and mailed.

J. Repayment of Loan

Repayment of the loan is required if any of the following occur within five years of receipt of the loan: 1) refinancing, 2) rental, 3) sale, or 4) transfer of ownership or occupancy of any part of the improved property. The homeowner may choose to repay the loan at any time; however, the City will only accept a lump sum payment. The City will not accept partial payments. The loan is not pro-rated.

K. Release of Loan by Repayment or Forgiveness

If the homeowner repays the loan in full or continues to own and occupy the improved home for the entire five year period, the loan may be forgiven and a “Deed of Release” will be issued.

The undersigned Applicant hereby represents that he/she has read and understands the forgoing guidelines.

Applicant’s Signature

Address

Date

Co-Applicant’s Signature

Address

Date

**CITY OF O'FALLON
HOME IMPROVEMENT PROGRAM
ELIGIBILITY CERTIFICATION**

Applicant's Name and Address: _____

Applicant's Phone Number (Home/Work): _____

Please give the requested information for each employed person in the household who is over 18.

**Office
Use
Only**

<u>SOURCE OF INCOME</u>		<u>Head of Household</u>	<u>Spouse</u>	<u>Other</u>
Employer's Name				
Employer's Phone Number	#			
Occupation/Title				
Years Employed	#			
Gross Wages or Salary per Pay Period	\$			
Net Wages or Salary per Pay Period	\$			
Overtime (if regularly received)	\$			
Number of Pay Periods per Year	#			
Other [Please indicate amount & frequency]:				
Child Support	\$			
Maintenance/Alimony	\$			
Earnings from Self-Employment	\$			
Dividends or Interest	\$			
Pensions/Annuities	\$			
Railroad Retirement	\$			
Veteran's Benefits	\$			
Social Security	\$			
Supplemental Security Income (SSI)	\$			
TANF	\$			
Unemployment Compensation	\$			
Worker's Compensation	\$			
Income from Rental Property	\$			
List Other Types of Income:	\$			
GROSS ANNUAL INCOME	\$			
NET ANNUAL INCOME	\$			
TOTAL HOUSEHOLD GROSS ANNUAL INCOME	\$			
TOTAL # OF HOUSEHOLD MEMBERS	#			

The undersigned hereby represents and warrants said information in the above Eligibility Certification, to the best of his/her/their knowledge, is true and correct.

Applicant's signature

Date

Co-Applicant's signature

Date



**CITY OF O'FALLON
HOME IMPROVEMENT LOAN PROGRAM**

DECLARATION

The undersigned acknowledge that participation in the Home Improvement Program is voluntary.

The undersigned hereby apply for participation in the Home Improvement Program as administered by the City of O'Fallon and agree to provide the City with the information requested on the Household Information Form, the Eligibility Certification and all other information requested by the City.

The undersigned hereby understands that the loan is for eligible home improvements not to exceed the amount of \$5,000.00.

The undersigned further agree to comply with all program conditions, including, but not limited to, compliance with all applicable federal, state, county and/or city requirements pursuant to the Housing and Community Development Act of 1974, as amended.

The undersigned hereby authorize the City to obtain the documents necessary for participation in the Home Improvement Program, including title information, income verification, etc.

The undersigned affirm and acknowledge that any misrepresentation of material facts or the failure to produce any requested information may result in a declaration of non-eligibility or a termination of continued participation in the program and a consequent denial of any and all benefits.

The undersigned further represent and warrant that the information that has been given is true and complete to the best of their knowledge.

The undersigned further affirm and acknowledge that they have been notified of and understand their rights and responsibilities as applicants for the Home Improvement Program.

Homeowner's Printed Name

Address

Homeowner's Signature

Date

Homeowner's Printed Name

Address

Homeowner's Signature

Date

City of O'Fallon Representative

Date



**CITY OF O'FALLON
HOME IMPROVEMENT PROGRAM**

RELEASE

This release is made and entered into this _____ day of _____, _____, by and between _____, hereinafter referred to as “the Owner” of the property located at _____, and the City of O’Fallon (hereinafter referred to as “the City”).

In consideration of the Owner’s voluntary participation in the City’s Home Improvement Program, the Owner hereby releases and agrees to indemnify and hold harmless the City, its agents, employees and officers from all claims, damages or causes of action (including reasonable attorney’s fees) caused by or arising in any manner from the Owner’s participation in the City’s Home Improvement Program and any agreements or contracts between the Owner and home improvement contractors.

I/We, the Owner/Owners, have read and understand this release. I/We execute it voluntarily and with full knowledge of its significance the day and year written above.

Homeowner’s Signature

Date

Homeowner’s Signature

Date



CITY OF O'FALLON
HOME IMPROVEMENT PROGRAM

CHECKLIST

To satisfy the requirement for a complete application package, please complete and return the following documents during the aforementioned period:

- Five enclosed forms to complete:
 - "Household Information,"
 - "Eligibility Certification,"
 - "Declaration,"
 - "Release"
 - "Checklist"

- Documentation to attach:
 - a copy of your most recent filed **federal income tax return** including schedules and attachments,
 - proof of **all** sources of income [most recent pay stub, W-2 forms, child support letter, divorce decree, interest and dividend statements, pension statement, annuities, Social Security statement, unemployment compensation, etc. – *see* enclosed "Eligibility Certification" form],
 - proof of ownership of your home [General Warranty Deed, Special Warranty Deed or Quit Claim Deed. **A Deed of Trust is not acceptable.** If the name of a deceased person appears on the deed, a death certificate is required. A copy of the Deed can be obtained in person at the St. Charles County Recorder of Deeds at 201 N. 2nd St., St. Charles]
 - a copy of driver's license(s)
 - copies of Social Security cards for all members of the household
 - a copy of most recent paid real property tax receipt
 - a copy of your most recent loan statement(s) [i.e. first mortgage, second mortgage, home equity, etc.]
 - a minimum of three written bids for each home repair along with a W-9 and Certificate of Insurance for the contractor/s you choose.
 - 2 pictures of your home. Those can be e-mailed to ajaegers@ofallon.mo.us or mailed or dropped off to City Hall. Please include your name and address in the subject of the e-mail.

Please note that any application submitted to the Public Assistance Specialist without all of these items will be incomplete and the applicant will not be considered for any funding.

Falsification of any of the aforementioned documents will result in elimination from the program.

The undersigned Applicant hereby represents that he/she has read and understands the forgoing guidelines.

Applicant's Signature

Address Date

Co-Applicant's Signature

Address Date

CERTIFICATION OF ZERO INCOME

(Only intended for household members who have no income)

I, _____ hereby certify that I do not receive income from any of the following sources:

1. Wages from employment (including commissions, tips, bonuses, fees, etc.);
2. Income from operations of a business;
3. Rental income from real or personal property;
4. Interest or dividends from assets;
5. Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;
6. Unemployment or disability payments;
7. Public Assistance payments;
8. Periodic allowances such as alimony, or gifts received from persons not living in my household;
9. Sales from self-employment resources;
10. Any other source not named above.

There is no imminent change expected in my income during the next 12 months.

Under penalty of perjury, I certify that the information in this certification is true and accurate to the best of my knowledge. The undersigned further understands that providing false representation herein constitutes an act of fraud.

Signature

Date

Race and Ethnic Data Reporting Form

U.S. Department of Housing and Urban Development
Office of Housing

OMB Approval No. 2502-0204
(Exp. 03/31/2014)

Name of Property	Project No.	Address of Property
Name of Owner/Managing Agent		Type of Assistance or Program Title:
Name of Head of Household		Name of Household Member

Date (mm/dd/yyyy): _____

Ethnic Categories*	Select One
Hispanic or Latino	<input type="checkbox"/>
Not-Hispanic or Latino	<input type="checkbox"/>
Racial Categories*	Select All that Apply
American Indian or Alaska Native	<input type="checkbox"/>
Asian	<input type="checkbox"/>
Black or African American	<input type="checkbox"/>
Native Hawaiian or Other Pacific Islander	<input type="checkbox"/>
White	<input type="checkbox"/>
Other	<input type="checkbox"/>

***Definitions of these categories may be found on the reverse side.**

There is no penalty for persons who do not complete the form.

Signature

Date

Public reporting burden for this collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits and voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is authorized by the U.S. Housing Act of 1937 as amended, the Housing and Urban Rural Recovery Act of 1983 and Housing and Community Development Technical Amendments of 1984. This information is needed to be in compliance with OMB-mandated changes to Ethnicity and Race categories for recording the 50059 Data Requirements to HUD. Owners/agents must offer the opportunity to the head and co-head of each household to "self certify" during the application interview or lease signing. In-place tenants must complete the format as part of their next interim or annual re-certification. This process will allow the owner/agent to collect the needed information on all members of the household. Completed documents should be stapled together for each household and placed in the household's file. Parents or guardians are to complete the self-certification for children under the age of 18. Once system development funds are provide and the appropriate system upgrades have been implemented, owners/agents will be required to report the race and ethnicity data electronically to the TRACS (Tenant Rental Assistance Certification System). This information is considered non-sensitive and does no require any special protection.