



HOME IMPROVEMENT LOAN PROGRAM



Dear Applicant:

The City of O'Fallon is currently accepting completed applications for its Home Improvement Program. This program offers zero-interest loans to a limited number of qualified O'Fallon residents in order to make improvements to address various issues, including safety concerns 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, the loan will then 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 an 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 met the five-year forgiveness time frame
 - e. Not be newly legalized alien
 - f. Be current on their mortgage payments and real estate taxes
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:

Four enclosed forms to complete:

- a) "Household Information,"
- b) "Eligibility Certification,"
- c) "Declaration,"
- d) "Release."

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. **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 online or in person at St. Charles County's Assessor's 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. If you need assistance filing out this application, please call to schedule an appointment.

Please note that failure to complete or submit all required information will result in a declaration of ineligibility for the applicant.

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) The City is required to provide statistical information to the U.S. Department of Housing and Urban Development on those participating in our program. Please check each category below that applies. There may be a delay in processing the application if the statistical questions are not completed.

Ethnicity (select only one):

_____ Hispanic or Latino _____ Not Hispanic or Latino

Race (select all that apply):

- _____ White
- _____ Black/African American
- _____ Native Hawaiian/Other Pacific Islander
- _____ American Indian/Alaskan Native
- _____ Asian



7) 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>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

FAILURE TO INCLUDE A HOUSEHOLD MEMBER WILL RESULT IN A DECLARATION OF INELIGIBILITY FOR THE PROGRAM

8) Age of Home or Year Built: _____

9) Is your home located in a floodplain? _____

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

11) Is your home located near hazardous operations, a dump, landfill, or industrial site? _____

12) Do you have any past or pending bankruptcy? _____

13) Are the real estate taxes on this property paid to date/current? _____

[Please attach copy of most recent paid real property tax receipt.]

14) Are there any federal, state or local tax liens on the property? _____

15) 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).]

16) How did you find out about the program? _____



17) Are you a first-time participant in the program? _____

If not, in what year did you previously participate? _____

18) When is the best time to contact you? _____

Please list projects or repairs you would like to complete with the proceeds of the loan. This list may be subject to change based on bids received or priority of projects requested.

[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 three-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:

	<u>Low Income</u>	<u>Moderate Income</u>
One-Person Household	\$16,150	\$43,050
Two persons	\$18,450	\$49,200
Three persons	\$20,780	\$55,350
Four persons	\$25,100	\$61,450
Five persons	\$29,420	\$66,400
Six persons	\$33,740	\$71,300
Seven persons	\$38,060	\$76,200
Eight persons	\$42,380	\$81,150

****Important 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.***



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 applicable building and City 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. Obtaining Bids

It will be the responsibility of the homeowner:

- To obtain a minimum of three formal, written bids for each project to be completed and
- To submit all bids to the City of O’Fallon’s Public Assistance Specialist for review and approval with application package and
- To select a contractor and
- To submit a W-9 and Certificate of Insurance along with bids of the contractor/s you choose.
- To obtain permission from the Public Assistance Office before completing any work themselves. If granted, and work is performed by the homeowner, friend, or relative, the homeowner will be reimbursed for materials only. No labor charges can be paid for any work done by the homeowner, friends, or relatives. The homeowner will be reimbursed at the end of the program for materials they purchased.
- To ensure contracts clearly specify all work to be performed. Contracts listing cost only will not be accepted. Contracts without signatures of both the homeowner(s) and contractor will not be accepted. **Open ended contracts will not be accepted.**
- To understand an employer cannot be a contractor in the program.
- To understand the program will pay to replace basic materials. Any upgrades in materials will be done at expense of the homeowner(s). Bids for upgraded materials will need to state the basic replacement cost with the optional upgrade priced separately.
- To understand code items must be completed first. No optional items may be addressed without the prior approval of the Public Assistance Specialist.
- To understand that a bid cannot be altered after being submitted unless approved by the Public Assistance Specialist.
- To not show or divulge one contractor’s bid to another contractor.
- To 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 writing to:

1. **Complete the work within 4 months of the initial inspection date, or be subject to a penalty if the deadline is not met without good cause. Failure to meet these timeframes may result in the homeowner being suspended from the program.**
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.
5. Provide the City with signed contracts, receipts and/or invoices, lien waivers and any permit cards required.

F. 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. G).**

G. Initial Meeting and Inspection - Minimum Housing Code

After acceptance into the program, the Homeowner will review and sign the "Homeowner's Agreement," "Promissory Note," "Subordination Policy," "Deed of Trust," and "Lead Based Paint Pamphlet."

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. The five- year period begins with the date of the initial inspection. **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.

Please make sure that the inspector has access to inspect your home. He/She will need to be able to see receptacles, the electrical service panel, the plumbing stack and the walls & floor of the garage. Please make sure that the inspector can get to these items without having to climb over things, such as washers/dryers and stored boxes.

H. Final Inspection - Minimum Housing Code

The homeowner shall contact the Public Assistance Specialist to schedule a final inspection and request a check as soon as the contractor finishes a project. 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. The homeowner may not make payment to a contractor without prior approval by the Public Assistance Specialist.

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
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 will 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

The City of O'Fallon shall ensure that decision affecting applicants to the Home Improvement Program are made without regard to their race, color, religion, sex, national origin, age, disability, or any other protected status.

CITY OF O'FALLON
HOME IMPROVEMENT LOAN PROGRAM
ELIGIBILITY CERTIFICATION



Applicant's Name and Address: _____

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

INCOME INFORMATION

List all incomes of all adult persons in the household 18 years of age and older.

Person #1 Name: _____ Age: _____

<u>Source of Income:</u>	<u>Monthly/Annually:</u>
Wages or Salary from Employment:	\$ _____ / _____
Social Security:	\$ _____ / _____
SSI Income:	\$ _____ / _____
Pensions:	\$ _____ / _____
Annuities:	\$ _____ / _____
Child Support:	\$ _____ / _____
Maintenance/Alimony:	\$ _____ / _____
Dividends or Interest:	\$ _____ / _____
Unemployment Compensation:	\$ _____ / _____
Veteran's Benefits:	\$ _____ / _____
Railroad Retirement:	\$ _____ / _____
Income from Rental Property:	\$ _____ / _____
Other Types of Income (please list):	\$ _____ / _____

Total Gross Annual Income for Person #1: \$ _____

Total Net Annual Income for Person #1: \$ _____

Person #2 Name: _____

Age: _____

Source of Income:

Monthly/Annually:

Wages or Salary from Employment:	\$ _____ / _____
Social Security:	\$ _____ / _____
SSI Income:	\$ _____ / _____
Pensions:	\$ _____ / _____
Annuities:	\$ _____ / _____
Child Support:	\$ _____ / _____
Maintenance/Alimony:	\$ _____ / _____
Dividends or Interest:	\$ _____ / _____
Unemployment Compensation:	\$ _____ / _____
Veteran's Benefits:	\$ _____ / _____
Railroad Retirement:	\$ _____ / _____
Income from Rental Property:	\$ _____ / _____
Other Types of Income (please list):	\$ _____ / _____

Total Gross Annual Income for Person #2: \$ _____

Total Net Annual Income for Person #2: \$ _____

If you need additional space, please attach information on a separate sheet of paper.

Total # of Household Members: _____

Total Household **Gross** Annual Income: \$ _____

Total Household **Net** Annual Income: \$ _____

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

Applicant's Signature

Date

Co-Applicant's Signature

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 person not living in my household;
9. Sales from self-employment resources;
10. Any other sources 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 the certification is true and accurate to the best of my knowledge. The undersigned further understands that providing false representations herein constitutes an act of fraud.

Signature

Date



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

DECLARATION

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

The undersigned hereby apply(s) for participation in the Home Improvement Program as administered by the City of O'Fallon and agree(s) 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 understand(s) that the loan is for eligible home improvements not to exceed the amount of \$5,000.00.

The undersigned further agree(s) 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(s) the City to obtain the documents necessary for participation in the Home Improvement Program, including title information, income verification, etc.

The undersigned affirm(s) and acknowledge(s) 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(s) and warrant(s) that the information that has been given is true and complete to the best of their knowledge.

The undersigned further affirm(s) and acknowledge(s) that they have been notified of and understand(s) 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 OR IRS Letter 1722 if no taxes were filed (available at www.IRS.gov or upon request.)
 - proof of **all** sources of current income
 - Four (4) most recent pay stubs (pay stubs need to reflect 4 weeks of pay)
 - W-2 forms
 - Child Support letter or proof of no Child Support
 - Divorce decree (entire document)
 - Interest and/or Dividend statements (1099s required)
 - Pension statement
 - Annuities
 - Social Security statement
 - Unemployment compensation, etc.
 - 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]
 - a minimum of 3 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 if need be. 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

SO WHAT COMES NEXT?

If accepted:

1. You will receive a letter of acceptance from the Public Assistance Office.
2. When the Public Assistance Office receives the approval from the State, we will contact you to schedule an initial inspection at your home with a date and time agreed upon by the homeowner(s), building department, and public assistance staff.
3. At the initial inspection, the homeowner(s) will review and sign the “Homeowner’s Agreement,” “Promissory Note,” “Subordination Policy,” “Deed of Trust,” and “Lead Based Paint Pamphlet.” The building inspector will inspect the home for any safety issues and/or code violations that need to be addressed.
4. Following the building inspection, if there are issues found, they will need to be addressed before approval is granted to move forward with the selected contractor. Once issues are addressed and a re-inspection finds the home compliant with safety and code violations, the homeowner(s) will be approved by the Public Assistance Specialist to move forward with the selected contractor.
5. The homeowner(s) will then contact the selected contractor to schedule when the work will begin.
6. The homeowner(s) is responsible for reporting any concerns, changes to initial contract and/or issues regarding the contractor as they occur. If changes are made to the initial contract, work must stop until the Public Assistance Specialist has been made aware.
7. Once the contractor completes the work, the homeowner(s) is responsible for contacting the Public Assistance staff to schedule a final inspection.
8. Upon an approved inspection report, a check will be mailed directly to the contractor. Payment may take between 15-20 business days after the final inspection process. In the event of a failed inspection report, it will be the contractor’s responsibility to make any needed repairs as deemed necessary by the building inspector with no additional charges. Once repairs are made, a re-inspection will be scheduled. If the re-inspection finds the repairs compliant with O’Fallon building codes, the payment will then be issued.