

Housing Repair Loan Program



The City of Rocky Mount is offering a forgivable loan for up to \$12,500 for homeowners to have eligible repairs to their homes that are at least fifty (50) years old.

Those applicants who submit a complete and accurate application will be approved on a first come, first served basis. This is a one-time assistance program.

Eligible Repairs (Repairs Affecting the Safe Occupancy of the Home MUST Be Addressed First)

- Energy Efficiency Improvements (Replacement windows and doors)
- System upgrades (i.e. plumbing, electrical and HVAC)
- Roof repair and/or replacement
- Water heater replacement
- Lead, mold or asbestos abatement
- Accessibility features for entering and exiting the home (i.e. wheelchair ramps, stair rails)

Eligible Applicants

- Must own the home and reside in the home as their primary residence
- Must earn between 51-100% of Area Median Income (Gross Income BEFORE Deductions)
- Must have homeowner's insurance
- Must be current on property taxes for the home being assisted

Homeowner assistance under this program will be chosen without regard to race, color, religion, sex, disability, familial status, or national origin under the Fair Housing Act. And, in addition to these factors, without regard to marital status, age, or source of income under the Equal Credit Opportunity Act. The City of Rocky Mount affirmatively furthers Fair Housing and Equal Credit Opportunities as a HUD grantee.

Those who have applied for housing assistance from the City in the past will not automatically be reconsidered and/or if they are on any prior wait list, no priority will be given.

Eligible Properties

- Home must be located within the city limits of Rocky Mount, NC
- Home must have been constructed at least fifty (50) years ago per tax records (in or before 1968 for applications taken in 2018)
- Must be a single-family residence or duplex
- If home is under the minimum housing code, work must satisfy any code violations
- Scope of work must bring the home up to minimum housing quality standards
- Properties located in local historic districts must obtain approval for alterations to home exteriors (local Rocky Mount Historic Preservation Commission (HPC))

The Loan

The amount of the forgivable loan will depend on the scope of work necessary to address the renovations and improvements as verified by the City's Housing Specialist, but will not exceed \$12,500. The loan payments will be made directly to an approved contractor.

The City will provide assistance to homeowners, whose homes are eligible for repair/modification, in the form of a forgivable loan. Homeowners will receive an unsecured, deferred, interest-free loan, forgiven at a rate of twenty percent (20%) per year, until the principal balance is reduced to zero after five (5) years. If the home is sold during the five (5) year period, the homeowner must pay the City back for the remaining balance of the loan.

Contractors Requirements

The City's Housing Specialist, or a firm contracted for this program, will visit homes of approved program participants and review with the homeowner the proposed renovations, repairs, or improvements. Contracting for work should be done in accordance to the work write-up produced by the Housing Specialist and any applicable permitting and inspection requirements thereunder. A minimum of three (3) bids will be obtained to ensure that quality work is done at reasonable prices with a responsible contractor.

A responsible contractor is required to:

- Hold a contractor's license or other license required for the scope of work being performed issued by the State of North Carolina
- Have proof of valid liability and worker's compensation insurance
- Must be Lead Certified if painted surfaces will be disturbed
- Must be Asbestos Certified if asbestos materials will be disturbed
- Be registered with the Central Contractor Registry. (<http://fedgov.dnb.com/webform>)
- Must be Renovation, Repair, and Painting (RRP) and Lead Certified and must follow specified work practices to prevent lead contamination for work performed in homes built before 1978.

The responsible contractor must comply with the above requirements and can complete the work in a timely fashion (14 to 60 days from contract signing), and at a reasonable price within 15% of cost estimate determined by the Housing Specialist. Any project not completed within this time frame, without written consent from the Housing Specialist, will not receive payment. The Housing Specialist

will only issue work extensions based on extenuating circumstances such as death or severe illness of a family member residing in the home or a dramatic weather event.

If lead remediation is required, the homeowner is responsible for relocation during remediation.

The contractor will be responsible for obtaining any required building permits for the project(s) before beginning work. Permits must be posted at the house during the entire period of construction. The Housing Specialist will closely monitor the contractor during the construction period to make sure that the work is being done in a timely manner and per the work write-up and contract. City inspectors will inspect work for compliance with the Building Code as required. The homeowner is responsible for protecting personal property by clearing work areas.

Required Document

The following documents must be submitted with your application:

- Proof of Home Ownership
- Proof of Primary Residence (utility bill, address on pay stub, etc.)
- Proof of Income (bank statement, pay stub, W2, etc.)
- Documentation Indicating the Age of the Home (usually found on tax records)
- Proof of Homeowner's Insurance
- Photo ID and Social Security Card
- Social Security Statement of Every Occupant

Indemnification and Hold Harmless

The applicant agrees to indemnify and hold harmless the City of Rocky Mount and its officials, agents, and employees from all loss, liability claims or expense (including reasonable attorney's fees) arising from bodily injury, including death or property damage to any person or persons caused in whole or in part by the negligence or willful misconduct of individuals or contractors hired to perform energy efficiency work related to this program, including, but not limited to any claim or suit resulting from or related to mildew, fungus, moisture intrusion or mold of every type and nature.

Tax Implication

You are encouraged to consult your tax advisor concerning the taxability of grants. The City of Rocky Mount is not responsible for any taxes that may be imposed on you as a result of receipt of loans.