

Deferred Loans for Housing Rehabilitation

SMALL CITIES DEVELOPMENT PROGRAM

for Swift County

Swift County RDA is preparing a Small Cities Development Program (SCDP) grant application on behalf of Swift County. The program helps eligible homeowners with funding to make improvements to their home. *No interior remodeling is eligible.*

Examples of eligible improvements that would qualify include:

Gutters	Windows	Electrical	Roofing
Insulation	Doors	Heating	Foundations
Plumbing	Siding	Plumbing	Building Code Violations
			Lead Testing & Removal

If the grant application is approved and funds are awarded to Swift County...

- 25% of the project costs would be the homeowner’s responsibility (from owner savings or bank loan); and
- 75% of the project costs (up to an established maximum) would be in the form of a deferred/forgivable loan –10 year loan with 1/10th forgiven each year.
- A maximum deferred/forgivable loan amount is pre-established in the grant application. A typical maximum amount is \$18,750 per household. Any costs above the maximum would be the homeowner’s responsibility.

An example project based on the maximum allowable forgivable loan would look similar to the following financing package:

If the total project costs were	\$25,000
25% Owner responsibility would be	\$6,250 (owner cash or low interest loans)
75% SCDP forgivable loan would be	\$18,750 (max)

Local low interest loan options may be available to eligible households for the 25% owner responsibility portion of the project. Sources for the loan options may include local banks, Prairie Five Community Action Agency and Swift County Housing and Redevelopment Authority. Eligible households are determined by income limits set forth by the Department of Housing & Urban Development (HUD). Below is a table of 2010’s income guidelines:

2010 HUD

Swift County -----I N C O M E L I M I T S-----

Household	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Income	\$32,900	\$37,600	\$42,300	\$46,950	\$50,750	\$54,500	\$58,250	\$62,000

Note: HUD guidelines change slightly on an annual basis, 2011 Income Guidelines will be released on March.

IMPORTANT: If you have any interest in learning more about the program please sign the form on this page and send it back the RDA. The signed form in no way commits you to the program; it is simply an indication of interest that builds support for the application. *If you are interested your name will place on a priority list to receive more information if funds are ultimately awarded next spring.*

Small Cities Development Program Intent to Participate Form

HOUSING REHAB

Please return to: Swift County RDA
PO Box 288, Benson, MN 56215

Name _____

Home Address _____

Mailing Address (if different than above) _____

Owner's Phone _____ Cell Phone _____

Email _____

I understand that:

- *SCDP funds are limited and in competition and may not be awarded to Swift County*
- *If the grant is awarded funds are limited and in competition*
- *Participants in the program must be income-qualified – the field administrator is the Swift County HRA who will do the verification*
- *Homes must have needs that go beyond basic maintenance and will be inspected as part of the program*
- *There will be a deferred loan (lien) placed upon my home for the SCDP funding for seven years. If the home is sold or changes owners in that time, the remaining un-forgiven loan must be paid back to the county*
- *The rehabilitation must be coordinated through the Swift County HRA, the field administrator for the project, and competitive bids must be received for the work. Any improvements/work done before coordinating with the Swift County HRA will NOT be eligible for SCDP funding*
- *The home must be occupied. No vacant households will be rehabilitated with SCDP funds*
- *Being placed on a priority list does not guarantee funding.*
- *After reviewing the above information including the financing package, I am interested in participating in the program*

Owner Signature

Date