

DUKES COUNTY REGIONAL HOUSING AUTHORITY

RENTAL REHABILITATION LOAN PROGRAM

TERMS AND CONDITIONS

LOAN AMOUNT: Loans may not exceed \$20,000 per dwelling unit. The minimum loan is \$10,000.

INTEREST RATE: The rate is 0%, unless the terms of the Loan Repayment Agreement have been breached (see #9 below for more information).

TERM: The minimum term is 10 years the maximum term is 20 years, to be determined by lender.

FEES AND EXPENSES: 5% of loan amount to cover title search, record deed, loan servicing, inspections, and rental management costs.

LOAN REPAYMENT AGREEMENT: The loan payment principal will subsidize the contract rent for the term of the loan, as agreed to between the DCRHA and the homeowner.

CONTRACT RENT DETERMINATION: The maximum contract rent will not exceed the area's HUD Fair Market Rent and will be determined on case-by-case basis. The tenant's portion of the rent is determined by the household income and is paid directly to the homeowner; with balance of the rent written down by the loan payment principal per the agreement with DCRHA. Contact rents will be determined annually between the DCRHA and the homeowner at least sixty days prior to the anniversary date of the lease.

ELIGIBLE IMPROVEMENTS

- Code Violations Corrections.
- Heating, electrical and plumbing system repair or replacement.
- Replacement or repair of ceilings, walls, floors, roofs, exterior siding, doors, windows, and stairs.
- Exterior and interior painting.
- Removal of asbestos, lead base paint, or other hazardous substances.
- Kitchen and bathroom repairs.
- Energy efficiency improvements, such as insulation, weatherization or chimney repair.
- Windows
- Any work determined to be needed by the program inspector to meet minimum housing standards.

CONDITIONS AND RESTRICTIONS

- 1) Loans are granted on a first-come, first-serve basis to qualified applicants for as long as funds are available.
- 2) Once an applicant has received a loan, the applicant may reapply for another if the original loan has been paid in full.
- 3) Applicants must be current with all payments for property tax, water bills, or other assessments due to town.
- 4) All property improvements must be approved and inspected upon completion by the Program Director.
- 5) Any existing lead paint that is peeling, cracking, scaling or loose and accessible to children less than seven (7) years of age must be eliminated.
- 6) Property must be insured in amount exceeding assessed value plus 100% replacement value of the loan. The Dukes County Regional Housing Authority must be named as a loss co-payee on the insurance policy. Property in flood hazard areas must be insured against flood damage.
- 7) The Massachusetts Historical Commission must evaluate renovations to structures of possible historic or architectural significance.

