

CDBG PROGRAM

Carolyn Martin, Housing Representative



APPLICATION PACKET

Village of Cameron - Owner-Occupied Home Rehabilitation

Once you've completed the application, you may email it to Carolyn Martin or call her to set up an appointment. You may also request a physical application or contact Carolyn with any questions.

Carolyn Martin | cmartin@cdbg.us | 715-415-0514



Community Development Block Grant Program

Homeowner Rehabilitation Process Overview

- 1. Homeowner submits an application along with all documents required for processing**

Applications will not be processed until all of the required documents have been submitted to the Administrator.
- 2. Administrator determines if the homeowner is income eligible**

Verification of all income and assets will be completed via third party or check stubs and statements, and income taxes. Income includes gross income plus interest or earnings from any type of asset such as savings and checking accounts, investment accounts, bonds, other property etc.
- 3. Administrator determines if the property is eligible**

The administrator will take into consideration the following items:

 - How much equity you have in your property by looking at how much you owe on the property compared to the market value that is listed on the property tax statement.
 - Mortgage balance(s) and whether you are current in making payments.
 - Confirm that property taxes are paid. All applicants with delinquent property taxes must satisfy that debt before any loan is approved. Emergency loans may be excepted.
 - The applicant is responsible for clearing any liens, judgments, title ownerships, or payment of taxes in order to be eligible to proceed.
 - Properties must be owner occupied and must be the owner's principal place of residence.
 - If there is a land contract, the land contract holder must sign the loan. The land contract must be legally binding and properly recorded.
 - If the occupant has a life estate, all owner(s) of the property must sign the loan.
- 4. Initial appointment with the administrator**

Applicant will receive a thorough explanation of the program and acknowledge the procedures and costs associated with proceeding with the loan. An appointment for the inspection will be scheduled at this time.
- 5. Inspection and specification preparation**

The building inspector meets with the homeowner to inspect the property and determine which rehab work the homeowner wants and what will be recommended. The program requires that repairs that affect the occupant's health and safety must be addressed and all code violations will be given top priority. Other types of repairs cannot be completed unless all health and safety repairs are also addressed. No cosmetic work or new construction is permitted unless the new construction is for overcrowding or handicap accessibility. No work may begin on the project until the mortgage has been signed and recorded and the contract(s) between the homeowner and contractor have been signed. Funds cannot be used to reimburse you for work that has already been completed.
- 6. If the project includes lead-based paint work, soil testing for a septic system, asbestos or mold remediation, additional inspections will be required**

These items may require special testing procedures in order to complete the inspection process. These tests will be conducted by a company that is specialized and certified in that area of work.

7. Homeowner obtains bids for the rehab work

Homeowners are expected to obtain three bids for each area of work. All bids must be mailed, delivered in person, emailed, or faxed to the grant administrator.

8. Review of bids and loan approval

1. Bids reviewed and contractors selected

The homeowner reviews the bids with the Administrator. The homeowner may choose the lowest, reasonable, and responsible bid or a bid that is within 10% of the lowest, reasonable, and responsible bid. The homeowner may select any contractor he or she chooses, but if he/she does not want to choose the contractor with the lowest bid or the bid within 10% of the lowest bid, the homeowner must escrow the difference. The homeowner must escrow the difference at the time the loan is signed.

2. Loan approval

The Administrator will take into consideration the overall condition of your property compared to the market value. There must be sufficient equity in the home to cover the existing liens and the home repair loan. If the bids for all of the work would have a negative equity effect or exceed 120% of the after-rehab value, then some of the repairs may be eliminated from the scope of work. The repairs will be prioritized according to code violations and health and safety repairs. Those repairs must be completed before other work will be approved. The administrator will estimate the increase in market value (no more than ____% of the repairs cost) as a result of the home repairs and take this into consideration when calculating equity.

Applicants who disagree with the administrator's calculations for determining equity may appeal the decision by providing a market analysis by a licensed Real Estate Agent or an appraisal by a licensed Appraiser. These documents must be no more than six months old and should take into consideration the repairs being considered.

9. Administrator will request a title search on the property

A Title search will confirm ownership and reveal debts against the property. When the title search reveals unusual information, a legal opinion of ownership or financial obligation is requested of legal counsel.

10. Loan Closing

1. Lending documents will be executed

Mortgages and Promissory Notes are recorded with the County Register of Deeds. Loans are deferred with no interest or payments until you no longer own or occupy the property as your primary place of residence. The mortgage information is forwarded to the homeowner's insurance carrier and a certificate of insurance is kept on file. Participants must keep their property insured as long as they have the home repair mortgage.

2. Contract(s) signed

The homeowner enters into a written contract(s) with the contractor(s). Contractors are given ____ days to complete the work. Sometimes the timeline is extended if the work cannot be done within ____ days due to weather restrictions. A good example might be the replacement of a septic system. The contract is between the homeowner and the contractor, not the Grantee or Administrator. The homeowner is ultimately responsible for supervising and monitoring the contractors and the quality of their work.

11. Payments and inspection of completed work

Payment request forms and lien waivers will be submitted to the Administrator by the contractor(s) signifying part or all of the work completed. The building inspector will schedule an appointment with the homeowner to determine if the work has been completed satisfactorily. The homeowner will be asked to sign the payment request signifying their acceptance of the work and approving the amount to be paid to the contractor. Approved payments will be made directly to the contractor.

12. Loan closure

Participants are provided with important information about their loan when the rehab is complete. They are reminded that as a condition of the mortgage, they must carry liability insurance on the property to cover at least the home repair mortgage and property taxes must be kept current. Periodic examinations are made on all loans to verify insurance coverage and tax payments. Notices are sent to homeowners when violations in the terms of the mortgage are discovered.

13. Loan repayment

The loan is due in full when the homeowner no longer owns or occupies the property.

14. Loan default

When a homeowner has been found to be in violation of the terms of the mortgage, a notice is sent with procedures for remedy. All attempts are made to resolve the situation with the homeowner. Remedy of the violation or repayment of the loan is the preferred way to settle and all reasonable ways that still meet the requirements set forth by the State are considered. When a reasonable solution cannot be reached with the homeowner, advice is sought with the legal counsel and the Loan Committee.

15. Subordinations

When a homeowner wishes to refinance a superior mortgage and does not intend to pay off the CDBG mortgage, their refinancing lender will most likely require that the CDBG mortgage subordinate or allow the refinancing lender to be in a superior position to the CDBG mortgage. It is important to tell the lender about the CDBG mortgage when you apply for a refinance loan. The CDBG loans do not automatically subordinate and you will be required to submit a request for subordination. A copy of the subordination policy has been provided for you in your application packet.

16. Grievance Procedure

All applicants or participants have the right to file an appeal/grievance when there is a disagreement or dissatisfaction with a decision by our agency. The appeal process is initiated by filing a written letter regarding the grievance within fifteen (15) business days of the service decision.

I have received a copy of this form.

Primary Applicant Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____

Program Administrator: _____

Current Income Information

Please list all people who live in your home, beginning with yourself. List the incomes of all persons 18 years of age or older. Reference "Income Sources to List and Required Documentation" table for examples of types of income to list and the necessary documentation required for verification. If more than one income source per person, reference corresponding number from table below separated by a comma.

Name	Age	Relationship to Applicant	Source(s) of Income <small>Use numbers from table below</small>	Monthly Gross Income
		<i>self</i>		

Income Sources to List and Required Documentation

- 1) **Employment** *Have employer complete Employment Verification Form (enclosed)*
- 2) **Self-Employment** *Provide copies of last three years of Federal 1040 with Schedule C attached*
- 3) **Unemployment Benefit and/or Worker's Compensation** *Provide copy of benefit statement or check or complete Unemployment Compensation Verification Form (enclosed)*
- 4) **Veteran's Administration, GI Bill, National Guard/Military Benefits/Income** *Benefit statement or check (copy)*
- 5) **Social Security Payment** *Send benefit statement*
- 6) **Unearned income from family members age 17 & under** *Send benefit statement (e.g. Social Security, Trust Fund, etc.)*
- 7) **Supplemental Security Income (SSI)** *Send benefit statement*
- 8) **Disability or death benefits other than Social Security** *Benefit statement or Disability Pension Verification Form (enclosed)*
- 9) **Retirement Funds or Pensions** *Complete Verification of Retirement or Disability Pension Form (enclosed)*
- 10) **Public Assistance (e.g. TANF, W2, Fuel Assistance)** *Send benefit statement*
- 11) **Periodic Payments from Trusts, Annuities, Inheritance, Insurance Policies, or Lottery Winnings**
List amount: \$ _____
- 12) **Income from real or personal property (e.g. interest or dividends)** *List amount: \$ _____*
- 13) **Alimony/spousal maintenance payments** *Three months check stubs*
- 14) **Child Support Payments Received** *Three months documentation*
- 15) **Section 8 Rental Assistance** *Three months documentation*
- 16) **Other income:**

Current Assets Information

Please list all current assets and submit required documentation for each asset. Only 2% of your assets value listed below will be counted toward your total household income.

Asset	Own?
Checking Account(s) <i>Provide copy of current statement and six month's average balance on bank letterhead; include six months average interest if applicable</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
Savings Account(s) <i>Provide copy of current statement and six month's average balance on bank letterhead; include six months average interest if applicable</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
Certificate of Deposit (CD) or Money Market Accounts <i>Provide most current bank statements</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
Real Estate other than primary residence, e.g. rental, land <i>Provide copy of property tax statement</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
Revocable Trust(s)	YES <input type="checkbox"/> NO <input type="checkbox"/>
Stock, Bonds, or Treasury Bills Value \$ _____	YES <input type="checkbox"/> NO <input type="checkbox"/>
IRA/Lump Sum Pension/Retirement/Keogh/401(k) <i>Provide documentation</i> Value \$ _____	YES <input type="checkbox"/> NO <input type="checkbox"/>
Cash Value of Life Insurance Policy <i>Provide documentation</i> Value \$ _____	YES <input type="checkbox"/> NO <input type="checkbox"/>
Investment items <i>Antique car, coin, stamp, jewelry, gun collections, etc</i> <i>Provide documentation</i> Value \$ _____	YES <input type="checkbox"/> NO <input type="checkbox"/>
Safety deposit box <i>Please list items and values: _____</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
Income from assets or sources other than those listed above:	

Wisconsin Marital Property Act

In order to comply with the provisions of the Wisconsin Marital Property Act, it is necessary for you to provide the following information.

1. Marital Status SINGLE MARRIED DIVORCED LEGALLY SEPARATED WIDOWED
2. If married:
- a. Spouse's name: _____
- b. Spouse's address: _____
3. Notice to applicants: No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stat.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

Conflict of Interest – Village of Cameron

Please note any family or business ties to any of the following people. Possible conflict of interest includes parents or parent-in laws, son, daughter, or daughter and son-in law, brother or sister or brother and sister in law, spouse or fiancée or fiancé. Note your relationship in the space beside the name. If you are not related to any of the following people, please check the box at the bottom of the list.

Steven Johnson _____

Roger Olson _____

Ben Hester _____

Carolyn Martin _____

Norman Mudgett _____

To the best of my knowledge, I am not related to any of the persons listed.

or

I have noted all relationships to listed parties.

Racial & Ethnic Background (Not Required)

If you choose not to answer the questions below, please check this box:

- White
- Black/African American
- Asian
- American Indian / Alaskan Native
- American Indian / Alaskan Native & White
- Native Hawaiian / Other Pacific Islander
- Hispanic
- Asian & White
- Black/African American & White
- American Indian / Alaskan Native & Black / African American
- Balance / Other

Disclaimer and Signature

I/we, the undersigned owners of the described property, certify that the statements in this application are true, accurate, and complete to the best of my/our knowledge and belief and understand that false information given may lead to disqualification from the program. I/we fully understand that it is a federal, state, and local crime punishable by fine or imprisonment or both, to knowingly make any false statements concerning the facts of this application. It is understood that this information is given for the purpose of obtaining financial assistance through the CDBG Program and will be used for no other purpose.

Primary Applicant Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____



Community Development Block Grant Program

General Release of Information

To whom it may concern:

I/we have applied for a loan and hereby authorize you to release to the Grantee the requested information listed below:

1. Previous and past employment history, including employer, period employed, title of position, income, and hours worked.
2. Disability payments, social security, and pension funds.
3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

The information will be for the confidential use of the Grantee in determining my/our eligibility for a mortgage loan or to confirm information I/we have supplied. Please complete the attached verification request.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed release of information form will be kept on record with the Grantee.

Applicant

Last *First* *MI*

Social Security Number

Street Address

City, State, Zip Code

Signature *Date*

Co-Applicant

Last *First* *MI*

Social Security Number

Street Address

City, State, Zip Code

Signature *Date*

NOTICE TO BORROWERS: This notice to you is required by the Right to Financial Privacy Act of 1978. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or released by this institution to another government agency without your consent except as required by law.



Community Development Block Grant Program

Verification of Employment

Date:

To:

RE: Loan Applicant:

Address:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

Program Administrator

Position: _____

Dates of Employment: _____

Current Hourly Rate: _____

Estimated Commission/Bonus: _____ Overtime: _____

You have my permission to release the above information.

Signature of Applicant

Date

The above information is furnished in strict confidence, in response to your request.

Signature of Employer

Date



Community Development Block Grant Program

Verification of Retirement or Disability Pension

Date:

To:

RE: Loan Applicant:

Address:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

Program Administrator

Type of monthly benefits: _____

Monthly amount: _____

You have my permission to release the above information.

Signature of Applicant

Date

The above information is furnished in strict confidence, in response to your request.

Signature of Employer

Date



Community Development Block Grant Program

Verification of Unemployment Compensation

Date:

To:

RE: Loan Applicant:

Address:

Social Security No.:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

Program Administrator

Weekly Compensation Amount: _____

You have my permission to release the above information.

Signature of Applicant

Date

The above information is furnished in strict confidence, in response to your request.

Signature of Unemployment Compensation Official

Date



Community Development Block Grant Program

Carbon Monoxide and Lead Information

Please review the information regarding lead and carbon monoxide in the home.

- “Protect Your Family From Lead in the Home” from the United States Environmental Protection Agency:
<https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home-portrait-color-2020-508.pdf>
- 2009 Wisconsin Act 158 requiring carbon monoxide detectors in buildings containing one or two dwelling units: <https://docs.legis.wisconsin.gov/2009/related/acts/158.pdf>

Printed copies are available from Carolyn if preferred. Please check the box only if you prefer written materials instead of the above online links to the lead and carbon monoxide documentation.

I would like to request written materials instead of online links to the above documentation



Community Development Block Grant Program

Lead-Based Paint Pamphlet Receipt Form

I have received the information in the EPA pamphlet entitled "Protect Your Family from Lead in Your Home."

Signature of Applicant

Date

Signature of Applicant

Date



Community Development Block Grant Program

Carbon Monoxide Pamphlet Receipt Form

I have received Wisconsin Act 158 information regarding carbon monoxide in the home.

Signature of Applicant

Date

Signature of Applicant

Date