

**CITY OF ST. JOSEPH
PLANNING AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT LOW INTEREST LOAN PROGRAM**

City Hall Room 101-A
1100 Frederick Avenue
St. Joseph, Missouri 64501
Telephone (816) 271-4609

Before your application will be accepted for processing for assistance for your home under the Low Interest Loan Program, you are required to furnish our office with the following information:

- 1) A completed application with the information requested below attached and returned to the above address;**
- 2) Documentation showing ownership of your house (Recorded Warranty Deed or Deed of Trust); and**
- 3) Current copies of your 1040 and W-2 forms and verification of benefits for the past 12 months.**
- 4) Copy of all existing mortgages and/or liens on the property.**
- 5) Acceptable verification of permanent disability.**

Upon receipt and verification of this information by Community Development Staff, an inspection of your home will be scheduled to determine the work needed. **HOUSES WITH WEEDS, STORED TRASH AND DEBRIS, OR JUNK CARS WHICH VIOLATE CITY CODES WILL BE DETERMINED INELIGIBLE.**

FUNDS SHALL BE USED FOR THE FOLLOWING:

1. Elimination of Section 8 minimum housing code violations and for general property improvements which may include weatherization, siding, or addition costs which are deemed necessary to alleviate overcrowded conditions, provide accessibility to the disabled, or eliminate functional obsolescence.
2. General property improvements may also include nuisance abatement for applicants age 62 or over or permanently disabled, removal of substandard additions or accessory structures, and minor exterior enhancements such as trees and landscaping materials when deemed necessary for improved overall appearance of neighborhood.
3. Repair or purchase of kitchen equipment or other necessary household appliances to ensure safe, sanitary conditions.
4. Refinance of outstanding mortgages when necessary to provide affordability to applicant and/or place the City in an equitable position.

GUIDELINES:

1. The applicant must own and occupy the house for at least six (6) months prior to applying. Applicant must agree to continue residence and ownership for a period of at least two (2) years after rehabilitation. Applicant must also agree to maintain the property in accordance with all codes of the City of St. Joseph for the term of the loan.
2. Properties assisted through this loan program will not be eligible for participation again for a period of ten (10) years.
3. Household income for all applicants must fall at or below the following income limits:

| HOUSEHOLD SIZE | MAXIMUM INCOME |
|----------------|----------------|
| 1 | \$31,600 |
| 2 | \$36,100 |
| 3 | \$40,600 |
| 4 | \$45,100 |
| 5 | \$48,750 |
| 6 | \$52,350 |
| 7 | \$55,950 |
| 8 or more | \$59,550 |

NOTE: INCOME GUIDELINES ARE SUBJECT TO CHANGE ANNUALLY

4. Work provided under this program does not require the elimination of all existing violations; however, before general property improvements are considered, priority of work will be given but not be limited to the following:
 - (a) Conditions creating electrical hazards
 - (b) Hazardous plumbing or circumstances creating hazards such as:
 1. Leaking water lines or fixtures
 2. Broken and/or inoperative sewer systems
 3. Inadequate water heating systems
 4. Improper sewer venting causing hazardous gases
 - (c) Inadequate heating systems
 - (d) Improper flues causing toxic gases and/or fire hazards
 - (e) Structural failure
 - (f) Leaking roof and/or conditions resulting from or contributing to water damage
 - (g) Work necessary to provide accessibility for elderly or disabled occupants; and
 - (h) Lead paint hazards
5. Total amount of work and refinance, if necessary, shall not exceed one hundred percent (100%) of the estimated finished appraised value of the property, minus all other existing liens and/or mortgages against that property.

6. Loans will be at an interest rate of 0% to 4% based upon the property owner's ability to pay not to exceed a 30 year term. A deferred payment loan (DPL) may be offered to applicants age 62 years of age or older and/or permanently disabled whose incomes do not permit the payment of an amortizing loan. Mortgage of said property will be filed as security for the loan.
7. Loans may include refinance of outstanding mortgages when necessary to provide affordability to applicant and/or place the City in an equitable position. Loans underwritten to include refinance of existing mortgages shall be at a rate of 2% over the otherwise qualified interest rate. In no case shall a property owner pay more than 30% of gross monthly income for housing expense (including mortgage payments, taxes and insurance).
8. Loans established at an interest rate less than 3% may undergo a biennial review by Housing and Revitalization Staff for affordability. In this case, the homeowner will be required to provide current income information.

POLICY/PROCEDURES:

1. Applications are processed to ensure that applicant owns or has valid contract for purchase, and appears to be within the guidelines. If applicant does not qualify, he/she is notified or given opportunity to provide more information. Receipt of application by Community Development Division does not guarantee rehabilitation assistance.
2. Housing Program Manager inspects house for work to be done and cost feasibility.
3. Work write-up and cost estimate is completed by Housing Program Manager and submitted to homeowners for approval.
4. Homeowner approves work write-up, and it is submitted to contractors for bid. (Contractors must be licensed and in good standing with the City of St. Joseph.) If the job is not cost effective upon receipt of the bids, bids will be rejected and the application canceled.
5. Upon receipt of acceptable bids City Rehab Staff will select a contractor. The homeowner will enter into a contract with the City and the chosen contractor for the work to be performed.
6. The homeowner completes loan documents. All owners of record must sign legal documents. The owner/occupant agrees to own and occupy the property for at least two (2) years after rehab.
7. A pre-construction conference is held with the homeowner, contractor, and Rehab Program Manager to explain the work. A sign may be placed on the property stating that funding for the project is provided by the Department of Housing and Urban Development through the City of St. Joseph Community Services Community Development and Housing Programs.

8. Contractors are notified to begin work. Housing Program Manager follows progress of work to ensure work is done properly and in accordance with contract.
9. When work is completed, a final inspection is made. If satisfactory with all parties, the final 10% of the contract is paid.
10. Loan payments begin 60 to 90 days after loan papers are signed (Contractor is given 60 to 90 days from said date to complete work.).

NOTE: The City of St. Joseph reserves the right to cancel, change or amend this program without notice to applicants.