Application & Eligibility continued…

The income limits, which determine program eligibility, differ for each community. In the Town of Newington based on your household size, you may be eligible for a deferred loan if your annual household income is at or below the following amounts:

Household Size	Income Limits*
1	$45,100
2	$51,550
3	$58,000
4	$64,400
5	$69,600
6	$74,750
7	$79,900
8	$85,050

* Income limits are subject to periodic change.

Loan to value rations for each property are also reviewed to determine the availability of equity which is considered when determining maximum loan amounts. The Owner may provide their own property appraisal at their expense, for the Town's consideration.

FUNDING

Typically, funds are offered in the form of deferred loans to owner/ occupants. Deferred loans are 0% interest loans which require no payment until a transfer of title, the Owner's demise, or the subject property is no longer the applicant's principle place of residence. Investors may be eligible for direct loans with interest rates up to 3% and maximum terms of 15 years. All loans are secured with a mortgage deed, promissory note, and memorandum of agreement.

The Town may, at their option, subordinate their loan upon written request from the Owner, if determined to be in the Town's best interest.

The information and process outlined in this flyer is illustrative only and does not bind the Town or its agent. The Town has the right to amend, revise, rescind, or interpret any part, process, or procedure of its Program as it deems necessary. All decisions are subject to the review and approval of the State of Connecticut.

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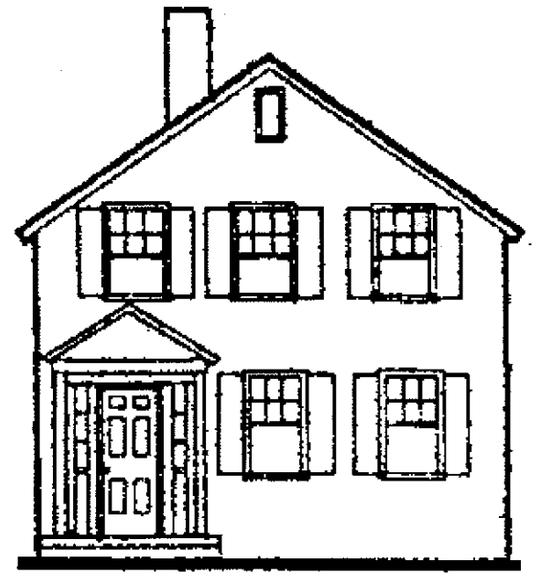
Town of Newington Housing Rehabilitation Loan Program Information



Funding provided by
Connecticut Department of
Economic & Community Development

U.S. Department of
Housing and Urban Development
Equal Opportunity Lender

COMMUNITY DEVELOPMENT BLOCK GRANT LOAN PROGRAM

The Town of Newington has Community Development Block Grant funds available for use by income eligible residential property owners for housing rehabilitation projects. These funds come from the U. S. Department of Housing and Urban Development (HUD) and are administered at the State level by the Department of Economic and Community Development (DECD).

The Town of Newington has retained L. Wagner & Associates, Inc. to coordinate its local housing rehabilitation loan program and to serve as the Town's agent.

Some of the work that may be eligible for funding includes the correction of health and safety violations, code compliance, roofing, carpentry, electrical work, painting, plumbing, heating, and other non-luxury work subject to approval of the Town.

If you participate in the Program, you should become familiar with several key elements. This pamphlet attempts to explain the general procedure and process and to address some commonly asked questions.

APPLICATION & ELIGIBILITY

All applications must be fully completed and returned to the address listed on the back of the application. Applications are reviewed on a first come first serve basis.

Eligibility is based on a combination of household size and annual household income. Income documentation for each of the household residents over the age of eighteen must be submitted with the application. This documentation must include copies of a minimum of the last 3 pay stubs, the most recent Federal tax return, social security documentation, or other pertinent income information. All tax returns must be signed.

TYPICAL REHABILITATION PROCESS

Initial Inspections

Once applicants are determined eligible, the Rehabilitation Consultant will contact the Owner to schedule an initial inspection. This inspection allows the Rehabilitation Consultant to explain the program in greater detail and to determine the specific needs of the property and what can be funded under this program.

While many repairs are eligible, some may not be warranted depending on individual circumstances, cost, and the condition of the property.

All participating homes built prior to 1978 will be tested for hazardous levels of lead based paint. Lead Based Paint Reduction/ Mitigation efforts will be performed in accordance with Federal and State regulations.

The Building Official and, in some cases, the Fire Marshal may perform a separate inspection of the dwelling to ensure that code related concerns are addressed. The Rehabilitation Consultant will contact the appropriate parties and provide them with an outline of the Owner's proposed scope of work.

Scope and Budget

After the inspections are performed, the Rehabilitation Consultant will prepare a preliminary "Scope and Budget" to estimate the value of the work proposed. This document is sent to the Owner for their review and approval. The Owner is responsible for verifying the accuracy of the proposed scope in comparison to the work they anticipate being performed.

Specifications

Upon acceptance of the Scope & Budget, the Rehabilitation Consultant will prepare specifications describing the proposed work. The specifications will be sent to the Owner for their approval. These project specifications will then be used by interested contractors in submitting their bids.

The Bid Process

Upon receipt of the signed specifications, the Rehabilitation Consultant will coordinate with the Owner to schedule a pre-bid conference and bid opening date. The pre-bid allows interested contractors an opportunity to visit the site, review the work, and introduce themselves to the Owner. The pre-bid is held at the location of the project and usually lasts 45 minutes to 1 hour.

Bids are received by the Town on behalf of the Owner. They are typically opened and read aloud. Information is compiled and the Owner is notified of the bid results.

Generally, the low bidder is selected by the Owner. If the low bidder is not a qualified contractor, the Town may extend its financing to the dollar amount of the second lowest bidder. The Town will fund the project based upon the lowest qualified bid received. The Owner may select a bidder other than the low bidder, providing they pay the difference.

The contractor is required to provide the Rehabilitation Consultant and the Owner with current references, valid insurance, and licensing information. It is advised that the Owner contact the references; even visit the referenced projects, if possible, to assist them in making their decision. Ultimately the contract is between the Owner and the Contractor.

Contract and Loan Closing

Once a contractor is selected, the Rehabilitation Consultant will prepare contracts and loan documents. A meeting will be arranged for all participants to review and sign these documents.

Project Oversight

It is important to understand that the contract for the work is between the Owner and the general contractor. All scheduling, selections, and arrangements shall be made between these two parties. The Rehabilitation Consultant will periodically visit the site to ensure compliance with the Town's grant requirements. The Town may also perform additional inspections.

Payments

The contractor receives no money down at signing and is paid in installments as the work is completed and approved by both the Owner and the Town. The Owner, the Town's agent, and the contractor will meet to inspect the work and approve a payment. The contractor will provide a signed and notarized lien waiver at each payment or as appropriate. A two party check is issued by the Town made payable to the Owner and to the contractor. The check is sent to the Owner for endorsement and forwarded to the contractor by the Owner.

Warranty

The contractor is responsible to the Owner to provide all warranty information and warranty their work for a minimum of one year upon completion.

OWNER RIGHTS AND RESPONSIBILITY

Under this program the Owner has the right to withdraw their application at any time until the contract and loan closing. The Owner also has the right to rescission, the right to terminate the loan and contract within three business days of signing.

The Owner must disclose all required information in a timely manner. Any willful misrepresentation may result in the disqualification of an application

The Owner has the right to hire any bidder they choose, as explained in the previous section on the bid process, subject to certain conditions.

All colors, models, and materials will be selected or approved by the owner prior to installation. The Owner is responsible to respond to the Town's agent and/ or the contractor with these decisions or any other decisions within a reasonable amount of time.

The Owner must make themselves reasonably available for inspections, pre-bids, work scheduling, and meetings.

The Owner must make their home available to the contractor during normal working hours.

The Owner is responsible for the safe keeping of their possessions, moving, and storage of furniture unless otherwise stated.

The Owner cannot withhold payment from the contractor for items not related to the contract or if the work has been approved by the Town.