

Complete this form for every household and persons on house deed, only if NO IRS Tax forms.

General Category	Statement from 24 CFR 5.609 paragraph (b) (April 1, 2004) Part 5 income inclusions as stated in the Code of Federal regulations	Totals	
		Monthly	Yearly
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.		
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.		
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.		
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions).		
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).		
6. Welfare Assistance	<p>Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage. 		
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.		
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).		
Total Income (record the total in box E-1-Box 6)			

Certification and Penalties:

1. The applicants agree that the cost of the relocation will be part of administrative cost and will be added to the loan and recorded as a lien on the house. Also that the cost of the relocation shall be determined at the time of the relocation and will be based on reasonable cost of accommodating the applicant in one of the City of Taylor commercial hotels/motels. The City of Taylor will pay the cost of relocation directly to the vendor. The applicants may elect not to receive any temporary relocation assistance and relocate with family or friends to avoid adding the cost of the relocation to their mortgage and promissory note.
2. The applicants certify that they have read, understand the risk and obligations associated with this application and agree to the terms and conditions of this application and to all other applicable terms and conditions not included in this application that may be required to comply with the City of Taylor, HUD and all other applicable rules and regulations.
3. The applicants agree that they may be asked to submit a new application, complete and provide additional documents, authorize the City of Taylor to modify and record mortgage and promissory notes and/or cooperate with the City of Taylor in any internal or external investigation or audit in compliance with applicable rules and regulations.
4. The applicants certify that they have received, read and understand the City of Taylor Community Development Department (CDD) Conflict of Interest Regulations and Compliance Guidelines for HUD funded projects and programs and agree to comply with all the terms and obligations.
5. The applicants certify that they have received, read and understand the City of Taylor Community Development Department (CDD) Temporary Relocation Regulations and Compliance guidelines for HUD funded projects and programs and agree to comply with all of the terms and obligations.
6. The applicants certify that they have received, read and understand the EPA Lead pamphlet "Protect your family from lead in your home", provided by the City of Taylor Community Development Department (CDD) and agree to comply with all of the terms and obligations of the Lead rules and regulations.
7. The applicants agree to comply with all terms and obligations of any applicable rules and regulations related to hazardous materials.
8. The applicants certify that he/she is the owner and occupant of the property described in this application, and that all loan proceeds will be used only for the work and materials necessary to meet the rehabilitation or code standards, as applicable, which are prescribed for the property described in this application. If the Approving Officer determines that the rehabilitation loan proceeds cannot or will not be used for the purposes

described herein, the Applicant agrees that he proceeds shall be returned forthwith, in full, to the City of Taylor.

9. The applicants agree to execute a MORTGAGE AND PROMISSORY NOTE in favor of the City of Taylor to guarantee fulfillment of the conditions of the loan.
10. The applicants agree to permit the Community Development staff to verify any of the information contained in the application.
11. The applicants agree that if they failed to comply with the requirements of the City of Taylor for any reason, their application will be canceled and a new application shall be required. The new application acceptance and approval will be based on availability of funding and all other current requirements.
12. The applicants certify that they have disclosed all related and requested information in this application, and all information furnished in support of this application is given for the purpose of obtaining a rehabilitation loan under the Community Development Block Grant program, and is true and complete to the best of the Applicant's knowledge and belief.
13. U.S.C. Title 18, Sec. 1001, provides "Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes false, fictitious or fraudulent statements or representation, or makes or uses and false writing or document or entry, shall be fined not more than \$10,000 or imprisoned nor more than five years or both".
14. The applicants agree that this application is for a HUD funded program through the City of Taylor Community Development Department (CDD) and subject to all applicable HUD rules and regulations.
15. The applicants agree that the approval of the applicant eligibility does not guarantee the commitment for the deferred loan.
16. The applicants agree that the commitment for the deferred rehabilitation loan is subject to the availability of funding allocated to the rehab repairs program as determined by the City of Taylor Community Development Department (CDD).
17. The applicants agree that the City of Taylor may cancel, adjust, modify and postpone the rehab repair program at any time and all applicants for rehab repairs funding may be cancelled.
18. The applicants agree that the commitment for the deferred loan is valid after signing the MORTGAGE AND PROMISORRY NOTE in favor of the City of Taylor.
19. The applicants agree that after signing the MORTGAGE AND PROMISORRY NOTE in favor of the City of Taylor, the City may reserve the right to cancel, adjust, modify and postpone the rehab repair at any stage to investigate any discovery of ineligibility or missing documents or any non-compliance issue.

20. The applicants agree that the repair cost to rehab their home is their own responsibility and this application is to secure a (deferred no interest no payment loan due for full payment according to the program guidelines) to pay only for the rehab project cost. Therefore, a notarized MORTGAGE AND PROMISORRY NOTE in an amount equal to the loan shall be executed in favor of the City of Taylor prior to paying the contractor any funds.
21. The applicants agree that if a dispute arises between themselves and the contractor, the matter will be referred to the rehab board, the board decision is final and a lien on the house will be recorded and the contractor will be paid in accordance to the rehab boards final decision.
22. The applicants agree that the City of Taylor may require full payment of funds at any time if the applicant received funding in violation of HUD rules and regulations with or without knowledge or intention.

PROGRAM MISSION

HUD Direct rehabilitation loans are an efficient and effective way to expand the supply of affordable housing; they enable existing homeowners to improve their own housing conditions and the conditions of their neighborhood. Many low-income homeowners need to make repairs to their property but are unable to afford the repairs themselves or to obtain private loans to do so. This program enables participating jurisdictions to make direct loans to qualifying low-income homeowners for housing rehabilitation.

Direct loans require the participating jurisdiction to take on many roles: that of the lender, who must underwrite the eligibility of the borrowers; the construction supervisor, who must ensure that construction meets appropriate standards; and also of counselor or advisor. The jurisdictions must also evaluate and resolve program design issues such as the identification of eligible property owners, establishment of levels of assistance, setting terms and conditions for loans, and basic approaches to loan processing and servicing. The City of Taylor Home Rehabilitation Program is a comprehensive program aimed at assisting qualifying low income residents according to City of Taylor Home Rehabilitation Program Guidelines, in compliance with HUD regulations.

PROGRAM DESCRIPTION

The City of Taylor Community Development Department is responsible for implementing this program. The department manages the process of funding a zero percent deferred loan with no payments to qualifying City of Taylor residents to perform eligible rehab/repair activities, as defined in the *Repair Standards*. The homeowners must agree to sign a Mortgage and Promissory note, which is filed against their property to secure the loan. There is no interest charged and no payments are made during the life of the deferred loan. The City of Taylor CDBG Housing Rehabilitation Program Guidelines limits the loan assistance to qualified homeowner occupied applicants only. The homeowner must be residing legally in the house as primary residence. The City of Taylor Community Development Department shall facilitate the bidding of the rehab

activities according to HUD requirements on behalf of the homeowners, insuring compliance with all applicable local, state, and federal regulations. The contract exists between the homeowner and the contractor, while the City of Taylor simply facilitates the process.

City of Taylor CDBG HOME REHABILITATION PROGRAM GUIDELINES

PROJECT TYPE

1. **Deferred zero interest loans for non-emergency repairs** to eligible applicants, based on 50% of median current year income limits for Detroit-Warren-Livonia, MI HUD Metro FMR Area. City Council approval is required before the bid may be awarded.

2. **Deferred zero interest loans for emergency repairs** to eligible applicants, based on 50% of median current year income limits for Detroit-Warren-Livonia, MI HUD Metro FMR Area (Process should proceed immediately). City Council approval is required the following meeting.

REPAIR STANDARDS

1. All repairs shall follow HUD's Partnership for Home Energy Efficiency (recommendations are based on ENERGY STAR® specifications, where applicable) <http://www.energystar.gov>

2. All homes built before 1978 are subject to the lead rules outlined by HUD, including but not limited to Lead-Based/Lead Hazard Test/Abatement Procedures, Lead-Safe Housing Rules Checklist, and Lead Regulations Applicability Form. The rehab specifications shall include all required remediation and supportive documentation and shall be completed after the lead testing report is completed. The lead report shall include recommendations for relocation if required.

3. Compliance with City of Taylor Building Codes.

4. All safety and health related repairs as determined by the rehab inspector and/or city building official.

LOAN STANDARDS

For properties located in 100 Year Floodplain Zone, under HUD regulations, loans are only permitted for on substantial improvements. The general rule is not to exceed 50% of the market value of the property, as determined by the current State Equalized Value (SEV). Loans are limited to the City of Taylor maximum loan amount of \$10,000.00 in addition to other administrative costs. Exceptions will only be made for unforeseen code violations, to be verified by an official Building Inspector. For properties not located in the 100 Year Floodplain Zone, loans are not to exceed the City of Taylor maximum loan amount of \$10,000.00 plus other administrative costs. Exceptions will only be made for unforeseen code violations, to be verified by an official Building Inspector.

CONFLICT OF INTEREST

The CDD will apply the 24 CFR 570.611, Conflict of Interests, published by HUD to all HUD funded activities. Applicants will be asked to disclose their relations as stated below in section (c). The CDD defines family ties as any immediate relation by blood or marriage including: parents, brothers, sisters, sons, daughters.

(a) Applicability.

(1) In the procurement of supplies, equipment, construction, and services by recipients and by sub recipients, the conflict of interest provision in 24 CFR 85.36 and 24 784.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its sub-recipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, 570.703 (i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of sub-recipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the Provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation: (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) (1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low-or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests of benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

TEMPORARY RELOCATIONS

It is the intent of the City of Taylor to prevent homeowner displacement. The CDD will not approve any rehab project that will cause a possible permanent or long term displacement. Only rehab projects with very short term possible displacement and very limited temporary relocation will be approved. Exceptions will be granted strictly for extreme situation involving natural disaster or situations beyond the contractor's control. In such event, the homeowner must be notified, accept the relocation rules, and complete the relocation form before signing the contract. If the relocation is based on lead remediation, then an Environmental Consultant's Recommendations for relocation is required in writing and shall be documented in the applicants file. Special attention will be given to child occupants younger than 6 years old and the consultant must be informed before completing the lead report. Lead testing in children, under the age of 6, could be required. If the relocation is based on lead remediation, the relocation is based on lead remediation, then relocation starting and ending dates shall be stated in the Occupant

Protection Plan; this plan shall be completed and documented in applicant file by the contractor before signing the contract.

GENERAL PROCEDURE AND OBLIGATION

Program applications shall be accepted by the Community Development Department. The applicant shall be responsible for providing necessary documentation as defined in the application. No application will be accepted if it is incomplete or missing required documents.

Applicants may submit applications to the Community Development Department. The rehabilitation staff will review needs for each home, according to the rehab standards, and priority will be given as follows:

- A. Those homes having a situation which is an immediate threat to health and safety (i.e. leaking roofs, inoperable furnaces, handicap ramp prescribed for medical condition).
- B. Those homes in which code violations are of a mechanical nature but don't present an immediate threat to health and safety (i.e. plumbing problems, staircase problems, decaying steps.)
- C. Those homes in which other code violations exist.

All applications will be funded on a first come, first served basis, pending availability of rehab funding and following the priority as stated in the Above A, B, & C. Eligible applicants shall sign a Mortgage and Promissory Note, which places a lien against the property for the dollar amount of the loan. The order of the lien will be as recorded at time of recording. The loan becomes payable upon the sale of the property, renting the property, or changing the position of the lien on record. The only exception to this is if the lien is subordinated upon the request of the homeowner, in order to reduce the original mortgage payment or to avoid a foreclosure. Written evidence of an approved mortgage payment reduction from a financial institution or certification of foreclosure prevention from a HUD certified agency, accompanied by an approved mortgage payment reduction plan from a financial institution is required and shall be documented prior to the execution of the subordination. The City of Taylor shall not subordinate any rehab loan for any reason other than reducing the original mortgage payment or avoiding foreclosure. Subordination for any reason resulting in any CASH OUT to the homeowners without regard to the amount shall be prohibited. The homeowner and the contractor shall sign a contractual agreement. Upon approval of the loan by the City Council and completion of said documents, a Proceed to Work Order shall be issued by the Community Development Department. A rehab contractors list shall be maintained by the Community Development Department. The list will be established in compliance with the City of Taylor and HUD rules and regulations. All change orders shall be reviewed by Community Development Department staff and approved by the homeowner prior to issuing Proceed to Work for the change order.

The homeowner shall permit the contractor to use, at no cost, all heat, light and water necessary to perform the job. Homeowner shall also provide the contractor access to the property during hours mutually agreed upon by the homeowner and the contractor. Furthermore, the homeowner agrees to move furnishings and other items as may pose an obstacle to construction. The Community Development Department may authorize emergency rehabilitation work to correct severe and immediate hazards (such as furnace repair/replacement) prior to City Council approval, provided that a full report is submitted to the City Council for their approval at the next regular meeting. All other rehabilitation cases shall be submitted to City Council for their approval prior to construction. All property taxes and assessments against the property to be rehabilitated must be current according to a title search of county records before the application approval.

A homeowner's insurance policy must be held on the property to be rehabilitated and must be current and paid to date including flood coverage if required. All documents must be in file prior to rehab approval. City personnel handling program files at any stage of processing shall consider all personal information contained in the files as confidential, and shall not reveal such personal information to any party not involved in the rehab process without prior written authority from the applicant. Homeowners will be responsible to choose the contractors from the CDD qualified list according to HUD rules. The CDD will bid out the rehab repairs according to HUD rules and applicable City of Taylor guidelines excluding the public disclosure process. Bids will be opened according to the privacy rules and regulations as determined by the City of Taylor attorney. If a dispute arises between the contractor(s) and the homeowner, the Community Development Department will investigate the dispute and attempt to resolve it. If the dispute cannot be resolved, the issue shall be referred to the Rehabilitation Review Board, which shall be composed of a representative of the Building Department, the Community Development Department, and the Budget and Finance Department. Prior to the award of the contract, the homeowner and the contractor shall agree that all decisions of the Rehabilitation Review Board shall be binding upon the homeowner and the contractor. A request to convene the board must be done by completing the homeowner satisfaction form. Verbal requests are not valid. The homeowner must accept the lowest bid if approved by the CDD coordinator otherwise the application will be canceled. The applicants certify that they have read, understand, and agree to the Home Rehabilitation program guidelines, including all terms, conditions, and obligations. The homeowners, based on the title search or any other discovery, shall comply with any additional requirements and shall provide requested documentation to complete the certification process of the accepted application within ten (10) days of the application official acceptance. Otherwise, the City of Taylor reserves the right to close the applicant file and deny the application for the rehab loan. A new application shall be required from the homeowner for reapplying to the program.

A signed copy of this document shall be submitted with the City of Taylor Home rehab application. The City of Taylor Community Development Department shall reserve the right to correct, adjust, and modify these guidelines at any time without a new City Council resolution. Changes will only occur for clerical corrections and to comply with

applicable rules and regulations not subject to jurisdiction of the City of Taylor. The CDD shall reserve the right to submit to Council a request to approve an increase in the loan limit for hardship purposes only, on a case by case basis. The content of this document is intended to expand a HUD/CDBG grant and shall comply with HUD applicable CDBG rules and regulations, and shall supersede all other non-HUD rules and regulations.

Program Description

The City of Taylor utilizes grant funds provided by the Department of Housing and Urban Development, to assist homeowners with their home repair needs, eliminate lead-based paint hazards, and address structural defects impacting health and safety of residents. This program is designed for income eligible members of the Taylor community who need immediate assistance with their home.

Frequently Asked Questions

Q: What type of repairs can I have done to my home?

A: Quality of life repairs are those that the CDBG program qualifies for. These types of repairs include roofing, plumbing, sewer, foundation, electrical work, handicap needs, etc.

Q: What types of repairs *are not* eligible for this program?

A: Cosmetic improvements are strictly prohibited in this program. This includes fencing, flooring, cabinets, and other aesthetic improvements.

Q: Will I have to pay the loan back?

A: Yes. The rehabilitation loan is a soft second mortgage. This type of loan is designed so that if the signee(s) pass away, or the home ownership is transferred in any way, the lien will become due immediately. The lien must be paid off in full; we are unable to accept payments.

Q: How long does this process take?

A: Depending on the amount of applications received and those within the pipeline, the process could take two to six months. It is not a quick program. An exact timeline cannot be given, but we can assure that each application will be considered.

Q: Can I use my own contractor for a repair on my home?

A: We will provide the eligible contractor.

FY 2017 Income Limits Summary

FY 2017 Income Limit Area	Median Income	FY 2017 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Wayne County	\$68,600	Very Low (50%) Income Limits (\$)	24,050	27,450	30,900	34,300	37,050	39,800	42,550	45,300
		Extremely Low Income Limits (\$)*	14,450	16,500	20,420	24,600	28,780	32,960	37,140	41,320
		Low (80%) Income Limits (\$)	38,450	43,950	49,450	54,900	59,300	63,700	68,100	72,500