

A FACT SHEET FOR HOMEOWNERS

WHAT IS THE ERIE COUNTY HOUSING REHABILITATION LOAN PROGRAM?

The Erie County Rehabilitation Loan Program provides financial assistance to eligible owner-occupied one- to two-family households. They must be located in the selected communities located within the County of Erie. The purpose of these loans is to eliminate substandard living conditions and prolong the useful life of the housing stock occupied by low- to moderate-income households. The goal of the Program is to provide safe, decent, and affordable housing for those who, under usual circumstances, could not secure adequate assistance through the normal private lending sector, and to do so in a way that will replenish the supply of funds available to assist needy homeowners in the future.

Basic assistance is provided in the form of a loan, secured with a Note and Mortgage on the assisted property. Loans are issued at a fixed interest rate of zero percent (0%). Repayment of the loan is deferred until title of the property is transferred or the house is no longer used as the principal residence of the original borrower.

WHAT ARE THE QUALIFICATIONS FOR PARTICIPATION?

Homeowner's current income must be below 80 percent of Erie County's median income for their family size (see attached income eligibility sheet).

The property must be located within one of the Erie County Consortium communities.

The property must be an **owner-occupied** one-to-two family dwelling.

All households must have adequate hazard insurance and, where applicable, federal flood insurance.

Local property and school taxes must be current.

HOW DOES THE PROGRAM WORK?

Financial assistance is provided in the form of a deferred loan at zero percent interest. The funds provided under this loan will be paid back at the time of sale or transfer of the property. Households with a gross annual income under 80 percent of the median income are eligible (see income eligibility sheets).

HOW MUCH CAN I BORROW?

The maximum loan is \$20,000 per unit. That does not mean everyone will receive this amount. The amount of the loan will be the cost of work to be done.

WHO PERFORMS THE WORK?

Erie County housing inspectors will help the homeowner to determine what work is required to make the house safe and sound. The staff will also offer technical assistance to help ensure adequate and competitive bids for the work to be done. Competitive bidding is required from contractors to assure a fair price for the work. You can get as many bids as you feel comfortable with, but Erie County requires at least two. It is the responsibility of the homeowners to select their own contractors. Erie County housing inspectors will inspect the work that is completed before releasing any payment to the contractor. Payments will be a two-party check which will be mailed to you for your signature. If you are happy with the work, you will sign the check and pass it on to the contractor.

HOW CAN THE PROGRAM HELP YOU?

It allows low-income homeowners to make essential repairs now and at an affordable cost. It takes some of the worry out of home repairs because our experienced staff is available to advise you at no cost.

ARE THERE OTHER CONDITIONS OF THE PROGRAM?

All loans must be secured by a Note and Mortgage on the property. The document will be filed in the Erie County Clerk's Office after the work is completed. Once filed, the mortgage on the property will not be subordinated to subsequent liens except with special approval.

FURTHER INFORMATION:

Erie County Housing Office: 858-8390

ATTACHMENT

INCOME ELIGIBILITY SCHEDULE ERIE COUNTY COMMUNITY DEVELOPMENT PROGRAM

<u>No. of Persons</u>	<i>(Extremely Low Income)</i>	CDBG LOW INCOME <i>(Very Low Income)</i>	CDBG MODERATE INCOME <i>(Low Income)</i>
	<u>30% of Erie County Median</u>	<u>50% of Erie County Median</u>	<u>80% of Erie County Median</u>
1	\$19,500	\$32,500	\$52,000
2	\$22,290	\$37,150	\$59,440
3	\$25,080	\$41,800	\$66,880
4	\$27,840	\$46,400	\$74,240
5	\$30,090	\$50,150	\$80,240
6	\$32,310	\$53,850	\$86,160
7	\$34,530	\$57,550	\$92,080
8+	\$36,750	\$61,250	\$98,000

Effective: **June 15, 2023**