CITY OF SHEBOYGAN
COMMUNITY DEVELOPMENT BLOCK GRANT
OWNER-INVESTOR
REHABILITATION LOAN PROGRAM

GUIDELINES AND APPLICATION

January 2015

1 You must be the owner of the property to be rehabilitated.

2 The property must be located in the City of Sheboygan. Priority is given to any property located in the central part of the City.

3 Total debt on the property (including our loan) cannot exceed 90% of the property's after-rehabilitation market value. The City will place a mortgage on the property to secure the loan.

4 Applicants must meet the income guidelines (January 2015) shown below:

FAMILY SIZE	MEDIAN INCOME OF 80%
1	$38,600
2	$44,100
3	$49,600
4	$55,100
5	$59,550
6	$63,950
7	$68,350
8	$72,750

At the time of loan closing, you will be required to deposit **25%** of the project cost into the City's escrow account. The City will loan the remaining **75%** of the project cost at **4%** for fifteen **(15) years**.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT

Housing Rehabilitation Program
Department of City Development
828 Center Avenue, Suite 104
Sheboygan, WI 53081

(920)459-3377
E-Mail: Development@ci.sheboygan.wi.us

HOUSING REHABILITATION OWNER-OCCUPIED LOAN
PROCEDURES FOR PROCESSING

1 Submit completed application, signed "Release of Information" form and the following documents to the Department of City Development, 828 Center Avenue, Suite 104:
(All residents 18 years of age and older must sign the release of information form.)

- * Copy of all most recent **Federal Income Tax Return**, *this must include all occupants who are 18 years of age and older* unless *they are full time students.*
- * Copy of latest paid **property tax bill** and proof of payment.
- * Copy of the cover page from current **homeowner's insurance policy**, *stating the dollar amount of coverage* , and a paid receipt for the current year.
- * Verification of **mortgage balance** and monthly payment from Lender.

2 Employment, income, mortgage and loan information will be verified. The Housing Rehabilitation Specialist will order a title report for applicant's property.

3 Department of City Development contacts family to inform of eligibility, explains program expectations, schedules City housing inspection, schedules a lead risk assessment if needed, and conducts an individual environmental review.

4 Applicant will be contacted by City Development to schedule an inspection of the applicant's rehabilitation property. The Economic Development Manager and a member of the Building Inspection Department will inspect each property.

5 City Development will contact a lead risk assessor. The lead risk company will contact the applicant to schedule an appointment for a lead based paint risk assessment.

6 Department of City Development refers family to Public Health to manage blood lead testing of all children less than 6 years of age residing in the home. All children under six occupying a dwelling receiving lead hazard reduction services will be tested for lead in their blood prior to any work being done. Public Health also will educate family on the hazards associated with lead-based paint.

7 Lead Risk Assessor will write work specifications for the property based on their inspection and test results. Copies of specifications are forwarded to Department of City Development.

8 Work specifications will be completed by the Department of City Development for the work to be completed. The Housing Rehabilitation Specialist will solicit bids from licensed contractors in the City of Sheboygan. A solid effort will be made to obtain a minimum of two estimates for each work item.

9 Lead Risk Assessor and Department of City Development discuss proposed work plans and different options available.

10 The Economic Development Manager will schedule a meeting to discuss the proposed lead work and cost estimate with the property owner.

11 Historic Preservation/Housing Rehabilitation Loan Committee will review loan application for approval. The Committee consists of four citizens and one Alderperson appointed by the Mayor and meets as needed usually every few weeks.

12 After loan approval, contracts will be prepared and forwarded to contractors for their signature. Contractors will then schedule the work for completion.

13 Appointment will be scheduled for loan closing. Applicant signs all necessary loan papers, contracts and letters to contractor(s) for work to proceed.

14 Department of City Development hires a certified contractor and/or subcontractor and a date is set to begin work. There will be no monies given to owners for materials or work.

15 Relocation arrangements are made for the occupants to move out during renovation, if necessary.

16 Contractor begins work and notifies Department of City Development of projected completion date.

17 Department of City Development or Sheboygan County Department of Public Health Lead Hazard Investigators inspects in-progress work.

18 As each contractor submits their bill, completed work is inspected and a joint check is prepared payable to the borrower and contractor. A "Release of Lien" is prepared and signed by the contractor.

19 After the work is completed the risk assessor, takes necessary clearance samples. City Building Inspector also inspects property for completion of contracted work, per city and HUD regulations.

20 After clearance is obtained, the family reoccupies dwelling.

21 Follow-up surveys are conducted by Sheboygan County Department of Public Health.

22 City of Sheboygan prepares check(s), "Release of Lien(s)" and disposition of all funds from the loan. Copies of all loan papers are given the applicant.

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E-mail: Development@ci.sheboygan.wi.us

OFFICE USE ONLY
LOAN NO.: _____
DATE RECEIVED: _____

CITY OF SHEBOYGAN
HOUSING REHABILITATION PROGRAM

DEPARTMENT OF CITY DEVELOPMENT
828 CENTER AVENUE, SUITE 104
SHEBOYGAN, WI 53081
Development@ci.sheboygan.wi.us
(920)459-3377
FAX: (920) 459-7302

OWNER-**INVESTOR** LOAN APPLICATION

PROPERTY OWNER INFORMATION

DATE OF APPLICATION: _____ NO. OF DWELLING UNITS: _____

APPLICANT'S NAME: _____

APPLICANT'S ADDRESS: _____

SOCIAL SECURITY NO.: _____ DATE OF BIRTH: _____

HOME PHONE: _____ BUSINESS PHONE: _____

HUSBAND/HEAD OF HOUSEHOLD CELL PHONE: _____ OTHER'S CELL: _____

E-MAIL ADDRESS: _____

Is there a Lead Poisoned child living in a unit? _____ Yes _____ No If **Yes** please list the address?

_____

PROPERTY IS:
_____ Free & clear of any mortgage, liens or judgments.
_____ Subject to a mortgage.
_____ Subject to a land contract.
Other: _____

PROPERTY TO BE REHABILITATED

ADDRESS OF PROPERTY TO BE REHABILITATED: _____

NUMBER OF UNITS: _____ Before Rehabilitation _____ After Rehabilitation

WAS THIS PROPERTY CITED BY BUILDING INSPECTION? _____ **Yes** _____ **No**

****NOTE**: A loan will not be made if there are any delinquent real estate taxes or judgment liens encumbering the property. These must be satisfied before a loan is made.**

ITEMS IN NEED OF REHABILITATION: _____

_____

_____

WILL TEMPORARY RELOCATION OF TENANTS BE REQUIRED: _____ Yes _____ No

EXISTING DEBT ON PROPERTY TO BE REHABILITATED:

1st LENDER: _____ ADDRESS: _____

ORIGINAL MORTGAGE: $ _____ MONTHLY PAYMENT: $ _____

UNPAID PRINCIPAL: $ _____ DATE OF MATURITY: _____

2nd LENDER: _____ ADDRESS: _____

SECOND MORTGAGE: $ _____ MONTHLY PAYMENT: $ _____

UNPAID PRINCIPAL: $ _____ DATE OF MATURITY: _____

3rd LENDER: _____ ADDRESS: _____

SECOND MORTGAGE: $ _____ MONTHLY PAYMENT: $ _____

UNPAID PRINCIPAL: $ _____ DATE OF MATURITY: _____

(This includes liens from Partners for Community Development & Lakeshore Cap)

OPERATING DATA ON PROPERTY

ESTIMATED INCOME FROM PROPERTY AFTER REHABILITATION:

UNIT NO.	NO OF BEDROOMS	MONTHLY RENT	ANNUAL RENT	GROSS INCOME
		$	$	$
		$	$	$
		$	$	$

TOTAL INCOME FROM DWELLING UNITS: **$** _____ **$** _____

OTHER INCOME: **$** _____ **$** _____

TOTAL INCOME: **$** _____ **$** _____

Where did you hear about our program? _____

ESTIMATE OF ANNUAL OPERATING EXPENSES **AFTER** REHABILITATION

Advertising:	$	Decorating:	$	Exterminating:	$
Fuel Oil:	$	Repairs:	$	Insurance:	$
Gas:	$	Water:	$	Sewer:	$
Electric:	$	Reserve*:	$		

TOTAL OPERATING EXPENSES: $

*Reserve is for the replacement of major items such as a furnace, water heater, etc., that will need replacing while you own the property. (Divide projected cost of items by number of years you anticipate owning the property not to exceed ten years.)

UTILITIES INCLUDED IN RENT **AFTER** REHABILITATION

UNIT NUMBER	ELECTRICITY	WATER	SEWER	HEATING

TENANT INFORMATION

UNIT NUMBER	NAME	MAILING ADDRESS	PHONE

RENT **BEFORE** REHABILITATION

UNIT NUMBER	RENT	UTILITIES INCLUDED YES	UTILITIES INCLUDED NO	PHONE

PROJECTED ANNUAL CASH FLOW

Gross Income Expectancy: **$**

Less total Operating Expenses: ($)

Less Real Estate Taxes: ($)

Less Principle & Interest on Other Loans Secured by Property: ($)

Less Other Fixed Charges: ($)

Cash Available For New Debt: $

FAIR MARKET RENTS - CITY OF SHEBOYGAN

Year	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
2014	$ 488	$ 579	$ 719	$ 944	$ 972
2015	$ 468	$ 556	$ 690	$ 906	$ 932

City Development will annually for a 5-year period verify that tenant rents are maintained equal to under the fair market rent limits. Rents will be updated annually.

PREVIOUS FORECLOSURE RECORD

Has the borrower (including any officer or stockholder having a ten percent or greater financial interest in a corporation) been obligated on a real property loan, which resulted in foreclosure, deed in lieu of foreclosure, or judgments?

_____ Yes *(If yes, explain)* _____ No

EXPLAINATION: _____

_____

_____

BORROWER'S CERTIFICATION

I (We) hereby certify that the statements made by me (us) are true and correct to the best of my (our) belief and knowledge.

_____	_____
SIGNATURE	**SIGNATURE**
_____	_____
DATE	**DATE**

PENALTY FOR FALSE OR FRAUDULENT STATEMENT

U.S.C. Title 18, Section 1001, provides, whoever, in any mater within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes why false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years or both.

RIGHT TO FINANCIAL PRIVACY ACT CERTIFICATION

The Department of Housing and Urban Development certifies, in compliance with the Right to Financial Privacy Act of 1978, that in connection with this request for access to financial records, it is in compliance with the applicable provisions of said Act.

OWNER RELEASE STATEMENT

RELEASE OF INFORMATION

(MUST BE SIGNED BY **ALL OWNERS**)

Document can be copied

The Right to Financing Privacy Act of 1978 requires that public bodies acting as agents of the U.S. Department of Housing and Urban Development (HUD) for the processing or approving of Section 312 and other residential rehabilitation housing loans provide the following notice to loan applicants.

NOTICE TO APPLICANTS

This is notice to you as required by the Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development has a right of access to financial records held by any financial institution in connection with the consideration of administration of the Section 312 or other HUD rehabilitation loans for which you have applied. Financial records involving your transactions will be available to the Department of Housing and Urban Development and the City of Sheboygan without further notice or authorization but will not be disclosed or released to another government agency or department without your consent except as required or permitted by law.

I have read and understand the foregoing notice. This letter authorizes the Department of City Development of the City of Sheboygan, Wisconsin, to request any pertinent information pertaining to the following:

_____	**Request for Mortgage Status**	_____	**Social Security**
_____	**Asset Verification**	_____	**Title Verification**
_____	**Verification of Deposit**	_____	**Credit Report**
_____	**Verification of Employment**	_____	**Income Verification**

I (We), the undersigned, do hereby authorize the release information requested by the Department of City Development of the City of Sheboygan, Wisconsin.

_____	_____
SIGNATURE	**SIGNATURE**
_____	_____
DATE	**DATE**
_____	_____
SIGNATURE	**SIGNATURE**
_____	_____
DATE	**DATE**