CITY OF BERWYN
DEPARTMENT OF COMMUNITY DEVELOPMENT

Single Family Rehab Program

Dear Applicant:

Attached please find the City of Berwyn Emergency Assistance/Housing Rehabilitation Loan Application. In addition to the Loan Application, you will need to provide the following:

- Copies of last three (3) consecutive pay stubs for each job you have.
- Copy of Social Security Benefits, or other such benefit, letter(s) or a copy of the most recent Social Security, or other such benefit, check(s). This includes: unemployment compensation, disability payments, and any other payment you receive.
- Copies of your Federal Tax Returns (IRS 1040's) and W2's for the last two (2) years.
- Signed and completed
  - Single Family Rehab Loan Application (attached)
  - SFR Preliminary Income Summary Calculation (attached)
  - SFR Income Calculation Worksheet (attached)
  - Third Party Authorization and Agreement to Release (attached)
  - IRS form 4506 (attached)
  - Certification of Marital Status (attached)
  - "*Protect Your Family From Lead in Your Home*" (attached)
- Copy of documentation evidencing any other source(s) of income.
- Copy of your Homeowners Insurance Policy.
- Copy of the last Real Estate Tax Bill mailed by Cook County.
- Copy of your Land Trust Agreement if your land is in a Land Trust.
- Copy of your existing (not new) Plat of Survey (if available).
- Copy of your Title, Deed or Title Insurance Policy form when you purchased the property (if available).
- Copy of the most recent mortgage payment letter(s) you receive monthly from your mortgage company.
- Copy of the last 3 statements from your checking and savings account(s).

CITY OF BERWYN
DEPARTMENT OF COMMUNITY DEVELOPMENT
6700 West 26th Street * Berwyn, Illinois 60402
708-795-6850 (FAX) 708-749-9457

SINGLE FAMILY REHAB LOAN PROGRAM
OVERVIEW

INTRODUCTION
The City of Berwyn ("Berwyn") is the recipient of Community Development Block Grant ("CDBG") funds distributed by the United States Department of Housing and Urban Development ("HUD"). A portion of the funding in accordance with the regulations articulated by HUD, has been budgeted for the rehabilitation of single family, owner occupied 1 to 4 unit structures located within Berwyn ("The Rehab Program"). Berwyn Department of Community Development administers this rehab program. Property must be owner occupied for a minimum of one year prior to applying for a Single Family Rehab (SFR) loan through the City of Berwyn.

NATIONAL OBJECTIVES
Berwyn is responsible for assuring each eligible activity meets one of the three National Objectives:

- Benefits low and moderate income persons
- Aids in the prevention or elimination of slum or blight
- Meets a need having a particular urgency

LOCAL OBJECTIVES
- To provide a safe, sanitary and habitable dwelling for residents of Berwyn residing in low/mod Census tract areas.
- To insure CDBG funds are allocated in a cost effective manner for eligible activities.
- To insure CDBG funds are allocated without regard to race, religion, color, sex or natural origin.
- To insure applications for CDBG funding and supporting documentation are kept confidential except as provided for in the Illinois Freedom of Information Act, and any other applicable State or Federal requirement.

OPERATING PRINCIPALS
The following operating principals shall apply to the Rehab Program:

1. All properties being rehabilitated shall, upon completion, comply with Berwyn building codes.
2. An attempt shall be made to make all rehab buildings more energy efficient.
3. All rules, regulations and procedures promulgated by HUD shall be included in the Rehab program.
4. All work will be competitively bid. In the case where a Homeowner has a true emergency situation, upon consultation with the Rehab Coordinator, the Director of the Community Development Department may declare an emergency on a case by case basis.

PERTINENT FACTS REGARDING THE PROGRAM

1. Properties to be rehabilitated must be owner-occupied up to 1 to 4 unit residential structures located within the corporate limits of Berwyn.
2. The maximum allowable amount of CDBG funds will not exceed **$25,000** (including change orders).
3. The Single Family Rehab Loan Program is a deferred, no interest loan.
4. Balances will be repaid upon sale, transfer, assignment or other alienation of the property.
5. Interior inspections of the entire building are mandatory. Prior to the interior inspection being performed, written authorization must be obtained from the owner.
6. Improvements are eligible if they bring the building into compliance with Berwyn's building code. **GENERAL HOME IMPROVEMENTS ARE NOT ELIGIBLE.**
7. Guidelines to correct all code violations shall be prepared by the Community Development Department with the Berwyn Building Department in compliance with Berwyn building codes. Homeowners must allow access to licensed qualified contractors interested in submitting bids on the project. During construction, the Homeowner shall allow inspection of the work by the Community Development Department and the Berwyn Building Department.
8. Applicants will be selected on a first come, first serve basis, once the Application is completed and accepted.

INELIGIBLE PROJECTS

The following projects are NOT allowed:

1. Accessory structures, i.e., garages. An exception may occur if the project includes major house repair. A limit of $1,500 of those funds may be allocated towards service door replacement, roof replacement, soffit/fascia and gutters on garage. A loan toward the demolition of the garage may be allowable if said garage is unsafe or condemned by the City of Berwyn.
2. Room additions, additional bathrooms or attic additions
3. Finishing of a basement
4. Fences or Decks
5. Items, such as kitchen cabinets (unless the existing are severely deteriorating and a code violation); hot tubs, swimming pools; security systems; interior fixtures in excess of standard quality replacement component.
6. **Homeowners cannot request additional work from the contractor.** The Community Development Department will **NOT** be responsible for unauthorized work.

ELIGIBLE PROJECTS

Please Note: All replacement items shall be of similar size, quality, and shape unless noted otherwise. Medium and/or construction grade materials shall be utilized. If the Homeowner increases the cost by selecting more expensive materials, quality, energy conservation, etc., the difference between the specified cost and the owner's request shall be borne solely by the owner.

1. Structural items, including roof replacement, existing stairs, handrails, foundations, piers, and existing porches.
2. Electrical, plumbing and heating can be considered for replacement. NOTE: central air-conditioning cannot be installed unless the homeowner has a letter from a doctor denoting a need because of a health condition.
3. Special features because of health or disability can be installed, i.e., grab bars, ramps, chair lifts, etc.
4. Interior painting can be done if lead based paint is present or if the Homeowner is a senior citizen and/or handicapped. Exterior painting is allowable on a case by case basis. In certain situations, elderly or handicapped residents may qualify for aluminum or vinyl siding. **NOTE:** all Cook County, State of Illinois EPA and HUD lead base paint procedures will be followed.
5. Correction of Berwyn code violations.
6. Weatherization items i.e. insulation, windows and doors.

ELIGIBILITY

The objective of the Single Family Rehab Loan Program is to assist low to moderate-income persons. Therefore, eligibility for a CDBG loan is based on household income. The income guidelines for establishing the limits for determining eligibility are listed below.

HUD Income Guidelines

Household Size	Extremely Low Income (0-30%MFI)	Very Low Income (31-50%MFI)	Other Low Income (51-80% MFI)
1	$19,150	$31,850	$51,000
2	$21,850	$36,400	$58,250
3	$24,600	$40,950	$65,500
4	$27,300	$45,500	$72,800
5	$30,680	$49,150	$78,650
6	$35,160	$52,800	$84,450
7	$39,640	$56,450	$90,300
8	$44,120	$60,100	$96,100

MFI = Median Family Income * FYI 2019 MFI
HUD changes guidelines quarterly, current guidelines may vary from above.

OWNER'S RESPONSIBILITY

1. Remove any and all articles that would hamper work or workmen from doing their job in a professional manner.
2. Allow the contractor and crew, at no cost, the use of water, electricity and heat in the performance of said work.
3. Make every effort to accommodate the contractor and crew regarding scheduling/dates for access to the premises.
4. Contact the Community Development Department if there are ANY breaches of the contract.
5. Carry and maintain current homeowners insurance on the property.
6. Such other requirements as determined by the Community Development Department.

ATTENTION

- Applicants shall not proceed with work unless a written approval is received from the Community Development Department.
- Costs associated with rehab will not be paid if these procedures are not followed.
- **Homeowner cannot** enter into any agreements, either verbal or written, without prior written approval by the Community Development Department.
- Payments for rehab work will not be made unless the Applicant has been approved and all procedures followed.
- All contractors must be licensed and bonded with the City of Berwyn
- All contracts must be signed and permits must be issued and displayed onsite prior to any work.
- All Program procedures must be followed. There are no exceptions to this policy.

Please call the Housing Rehabilitation Coordinator at (708) 749-6557 to schedule an appointment to review all necessary documentation and your application. The anticipated application review will take approximately one (1) hour.

Following the Application review, a Homeowner will be notified in writing regarding the determination of eligibility for CDBG funding. Final approval of the application and loan will take approximately 60-90 days.

CITY OF BERWYN
DEPARTMENT OF COMMUNITY DEVELOPMENT

FROM: The Department of Community Development

RE: Single Family Rehab Loan Program / Emergency Assistance

Dear Applicant:

The enclosed materials must be completed and brought in on the date of your appointment. These forms and documents will be used to determine a Homeowner's eligibility for the Single Family Rehab Loan Program/ Emergency Assistance. Following are some helpful instruction:

1. It is important that ALL questions are answered.

2. Income shall be counted for all adult members in the household. However, if rent is received from other persons residing with homeowner, the homeowner will count the rental as income but not their earnings.

3. If an item does not apply, homeowner will put zero in the monthly column.

4. The YEARLY column is for annual totals.

5. Reference to OTHER REAL ESTATE refers to any property the Homeowner owns other than the home the Homeowner is requesting rehabilitation assistance.

6. If a home was purchased on contract, Seller's name must be included. If property is in a land trust, include the trust name and number on the application with address and contact phone number.

7. Homeowner must review the "Check List" very carefully and supply copies of all applicable documents. **Do NOT bring originals.**

8. The Financial Statement must be signed by the Applicant and Co-Applicant. **BEFORE SIGNING THE FORM, PLEASE READ THE COMPLETE DOCUMENT**

Facts Package

The Community Development Department issues loans to qualified low and moderate income Homeowners for housing rehabilitation outlined in this "Facts Package". The loan program is a Deferred Payment - No Interest - Rehabilitation Loan Program.

Below are questions and answers to help you understand how this program works.

1. Q. **What is Housing Rehabilitation?**
   A. Housing rehabilitation, is the improvement of structural deficiencies in a home that creates substandard living conditions.

2. Q. **How is the program funded?**
   A. Housing rehabilitation is funded by a grant the Berwyn receives from HUD under terms of the Housing and Community Development Act of 1974 as amended.

3. Q. **Who operates the Community Development Department?**
   A. The Community Development Department is operated by Berwyn

4. Q. **Who qualifies for Rehabilitation Assistance?**
   A. Any property owner/ resident of Berwyn who is the title holder or contract Purchaser of a house. Applicant's total household income cannot exceed 80% of Median Family Income for the Chicago area.

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5. Q. **What kind of collateral does the Homeowner need to qualify for a loan?**
   A. A lien in the form of a Mortgage will be recorded against the property to serve as collateral.

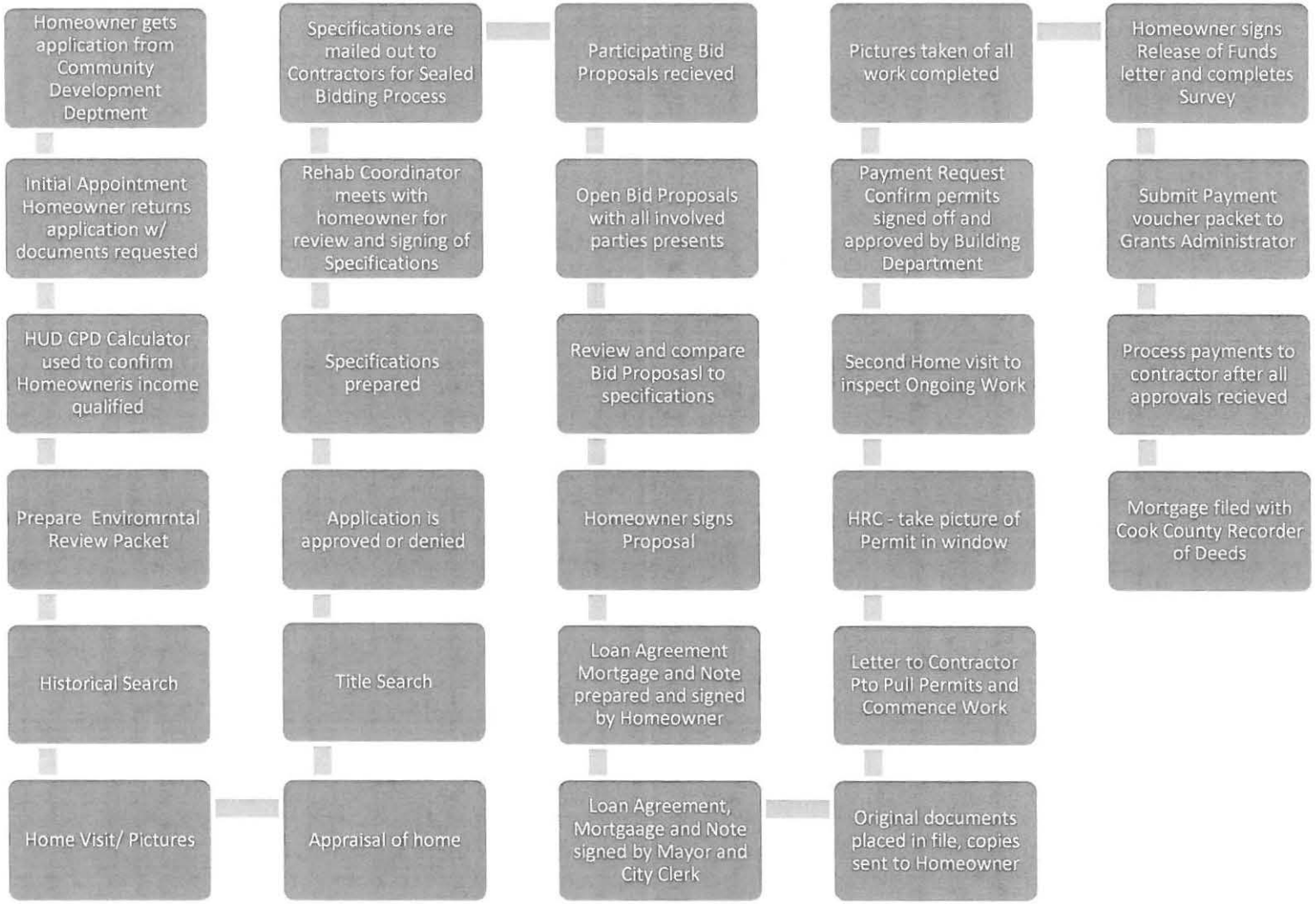
6. Q. **What will the interest rate be on the loan?**
   A. No interest is charged on deferred payment loan.

7. Q. **Who performs the rehabilitation work?**
   A. A contractor who is registered and has a current license and bond with Berwyn. In addition, the contractor must also carry the proper insurance and licenses applicable to his/her trade.

8. **Q. What if I already have loans on my home?**
   A. The total liens on a rehabilitated property must not be more than 100% of the total value of the property.

Subordinations may occur if the Homeowner refinances the first mortgage to take advantage of lower interest rates. The Homeowner cannot receive cash from refinancing without reimbursing Berwyn for all outstanding loans.

Once an application is completed, a Homeowner must contact the Single Family Rehabilitation Coordinator, by phone to set up an intake appointment at the Community Development office **708/795-6850.**

Single Family Rehab Program

Program Flowchart