



HOME REHABILITATION LOAN PROGRAM

Dear Applicant:

Thank you for your interest in our Home Rehabilitation loan program. Based upon the information you provided, it appears that you may be qualified for our program.

Attached is an overview of our program and a comprehensive application package upon which your eligibility for our program will be determined. To avoid any delays in the processing of your application, please remember to include photocopies of all requested documentation and original forms which are also included in this packet.

Funding for the 2009-2010 program year is extremely limited, and all applications will be dealt with on a first come, first serve basis.

Please read and complete all portions of the application. Upon completion of the forms, please return to the Community Development Department. Should you have any questions regarding this program or application process, please do not hesitate to contact me in the Community Development Department at 818-898-1227.

We look forward to reviewing your application.

Sincerely,
Community Development Department



HOME REHABILITATION PROGRAM OVERVIEW

INTRODUCTION



The purpose of this program is to assist low and moderate-income households in the rehabilitation of their home to repair any code violations, to meet housing quality standards and to restore historic preservation features in their home. The goal of this program is to eliminate safety hazards, improve substandard conditions and to enhance the overall appearance of the property and thereby have a ripple effect on improving the aesthetics of the block, immediate neighborhood and the community in general.

REHAB ASSISTANCE

A loan of a maximum dollar amount of \$21,000 is offered as assistance toward the rehabilitation of a home per assisted household. The City's direct financial assistance will be in the form of a loan to the homeowner secured by a Loan Agreement, Promissory Note and a Deed of trust.






The loan will bare a simple interest of 0-3 percent depending on the combined gross household income adjusted per family size. The loan may require minimum monthly payments until the loan agreement is terminated where the entire balance will be due paid in full.

ELIGIBILITY REQUIREMENTS

-  Applicant must be the current homeowner residing in the home to be rehabilitated.
-  Combined gross household income must be 120% or less of the Los Angeles County Median Family Income adjusted per family size (see below).

1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
\$52,150	\$59,600	\$67,050	\$74,500	\$80,450	\$86,400	\$92,400	\$98,350

Source: Department of Housing and Community Development- Official State Income Limits for 2009

-  The home to be rehabilitated must be located within City of San Fernando boundaries.
-  The home to be rehabilitated must be a single family residence.
-  Applicant must select a licensed (Category B) and bonded general contractor in good standing with the Contractor's State License Board for the home rehabilitation. The City is not responsible for the selection of the Contractor.
-  Applicant must be able to provide proof of ownership and occupancy of the property to be rehabilitated.
-  No pattern of notice of code compliance and or repeated Police response for services.

RESTRICTIONS AND CONDITIONS OF ASSISTANCE

Eligible properties include existing single family houses, and manufactured homes located within the corporate city limits for San Fernando.

Loan proceeds may only be used to cover the costs of services and materials necessary to carry out the rehabilitation of work. Equity loans are NOT allowed.

Previously contracted or commenced work or materials purchased are NOT eligible for reimbursement, or for continuation of work underway, unless previously commenced work is a hazard to life or property. Rehabilitation work must not commence until City approval is received, all permits are issued, and a Notice to Proceed order is given.

The City of San Fernando reserves the right to allow staff and/or its agents to conduct necessary property and rehabilitation work inspections as required.

All funds disbursed are payable directly to the contractor for rehabilitation of work performed on a scheduled basis. Work must not commence until City approval is received, all permits are issued and a Proceed Order is provided. Advanced payments or personal funds will NOT be reimbursed to the property owner or the Contractor. The City of San Fernando is not responsible for advanced funds to the Contractor. Side agreements between the Property Owner and the Contractor are not allowed during the City of San Fernando Rehabilitation Program.

REPAYMENT PROGRAM

Loan principal and a interest are due and payable if during the life of the loan the property is sold, title is transferred, the home is not occupied as the principal residence by the applicants, or there is unauthorized refinancing of the first trust deed.

Monthly payments are assessed upon determination of an *undeferred* loan status. Payments are calculated on a per-case basis over 15 years.

ADDITIONAL PROGRAM CONSIDERATIONS

Items required to be fully code-complying include, but are not limited to:

- | | |
|----------------------|---------------------------------|
| ✘ Termite Work | ✘ Roofing Repairs |
| ✘ Attic Insulation | ✘ Plumbing Repairs |
| ✘ Smoke Detectors | ✘ Electrical Repairs |
| ✘ Weather Stripping | ✘ Exterior Stucco/Siding Repair |
| ✘ Structural Repairs | ✘ Window and Door replacement |

Ineligible items include but are not limited to:

- | | |
|--------------------------------------|---|
| ⊗ Reimbursement for personal labor | ⊗ Aluminum siding |
| ⊗ Burglar alarms | ⊗ Wrought iron security devices |
| ⊗ Free-standing appliances | ⊗ Recreational equipment |
| ⊗ Purchase or repair of furniture | ⊗ Kennels |
| ⊗ Unapproved Demolition | ⊗ Bath houses, swimming pools, saunas, hot tubs |
| ⊗ Free standing concrete block walls | ⊗ Murals, window treatments, tv antennas |
| ⊗ Interim wood paneling | ⊗ Steam cleaning |
| ⊗ Forced air heating systems | ⊗ Pool Repairs |
| ⊗ Construction of additional rooms | ⊗ Deconversion of garages |

The City of San Fernando reserves the right to deny requests in specific instances where the rehabilitation to be completed and/or the application do not conform to these or other program guidelines.

The City of San Fernando and/or participating lenders determines the eligibility of applicant to the program.

Please allow at least two (2) weeks for processing.



HOME REHABILITATION APPLICATION

APPLICANTS	NAME	SOCIAL SECURITY NO.	GROSS ANNUAL INCOME	AGE	FULL TIME STUDENT ? Y/N
Applicant					
Co-Applicant					
MAILING INFORMATION					
Current Address					
City, State, ZIP				Phone	
OTHER FAMILY MEMBERS	NAME	SOCIAL SECURITY NO.	GROSS ANNUAL INCOME	AGE	FT STUDENT ? Y/N
Family member					
Family member					
Family member					
Family member					
Family member					
EMPLOYMENT INFORMATION If self-employed, please check here <input type="checkbox"/>					
APPLICANT'S EMPLOYER		APPLICANT'S POSITION		PHONE NO.	
ADDRESS		CITY, STATE, ZIP		LENGTH OF EMPLOYMENT	
CO-APPLICANT'S EMPLOYER		CO-APPLICANT'S POSITION		PHONE NO.	
ADDRESS		CITY, STATE, ZIP		LENGTH OF EMPLOYMENT	
OTHER INFORMATION					
Are you or any member of your household currently receiving a pension or Social Security and/or SSI?		<input type="checkbox"/> YES <input type="checkbox"/> NO If yes, please disclose monthly amount		\$	
Are you an US Citizen or US Permanent Resident?		<input type="checkbox"/> YES <input type="checkbox"/> NO If yes, please specify		<input type="checkbox"/> US Resident <input type="checkbox"/> US Citizen	
Is the head of household disabled?		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> decline to state	
What sex is the head of household?		<input type="checkbox"/> male <input type="checkbox"/> female If yes, please specify		<input type="checkbox"/> decline to state	
Please state your ethnicity.				<input type="checkbox"/> decline to state	

I declare under penalty of perjury that the statements made on this application are true and correct. I certify that I (we) am (are) the owner (s) of the above stated subject property, and that I (we) understand the foregoing qualifications and conditions for loan eligibility. Any person, under penalty of perjury, who willfully state as true any material which he/she knows to be false can be found guilty of perjury.

Applicant's Signature

Date

Co-Applicant's Signature

Date



HOME REHABILITATION APPLICATION

PROPERTY INFORMATION			
Property Address			
City, State		Zip	
Legal Description or Assessor's Number: <small>(see current Property Tax Bill)</small>			
Please list all current owners on the Title to this property:			
BALANCE VERIFICATION ON LOANS SECURED BY HOME			
1 st Mortgage		Loan Number #	
Lien holder's Name		Loan Balance \$	
Address			
City, State		Zip	
2 nd Mortgage		Loan Number #	
Lien holder's Name		Loan Balance \$	
Address			
City, State		Zip	
PROPERTY DESCRIPTION			
Purchase Date		Year Built	
Purchase Price \$		Estimated current market value \$	
Estimated living area		Sq. Feet No. of bedrooms #	
No. of Full Baths #		No. of 1/2 Baths #	
Major improvements/additions since property was built:			
List items you would like to consider for Rehabilitation:			
			Please Initial Below
Receipt of <i>Fair lending Notice</i> (Please Initial)			
Receipt of <i>Definition of Income</i> (Please Initial)			
Receipt of <i>Protect Your Family From Lead In Your Home</i> (Please Initial)			

CHECKLIST FOR DOCUMENTATION SUBMITTAL (Home Rehabilitation Loan Program)

This checklist has been provided to make the application process as quick as possible.

Incomplete submittals will be returned without further review.

INCOME VERIFICATION (per individual over 18 years of age)

If you are salaried, please provide PHOTOCOPIES of the following document:

- 3 consecutive years of Federal and State income tax returns (signed) with W-2 forms
- 6 recent consecutive paycheck stubs (of all working bodies)
- 3 concurrent consecutive checking account statements (3 months)
- 3 most recent year-to-date statements showing interest earned on all interest-bearing accounts

If you are self-employed (Sole Proprietorship), please provide PHOTOCOPIES of:

- 3 years of signed Federal and State income tax returns (signed)
- Most recent year-to-date profit and loss statement (signed)

If you receive other income on a regular basis, please provide PHOTOCOPIES of:

- Rental Income- Federal income tax return form 1040 and/or rental agreements, or
- Retirement/Social Security- statement of benefits from the Social Security Office, or proof of direct deposit, or
- Alimony/Child Support- divorce decree or separation agreement, or
- Commissions, interest/dividends- personal Federal and State income tax returns for the last 3 years (signed), or
- Any other income- provide appropriate documentation

ADDITIONAL REQUIREMENTS

- Verification of ownership- Please provide a copy of current Property Tax Bill or Grant Deed
- Verification of Insurance – Please provide a copy of current Homeowner’s Insurance Certificate
- Verification of Owner Occupancy – Please provide a copy of a current utility bill (gas, electric, phone)
- Household** Certification of Anticipated Gross Annual Income– To be completed by any individual in said household certifying income for the entire family (see attachment).
- Individual** Certification of Anticipated Gross Annual Income– To be completed by any individual in said household certifying source of independent income (see attachment).
- Application for Special Housing Inspection- To be completed as permission for city staff to enter property for observation and/or inspection of potential rehabilitation items (see attachment).
- Fair Housing Lending Notice– Please provide the acknowledgement of receiving the Fair Lending Notice as noted in the California Housing Financial Discrimination Act of 1977 (see attachment).
- Verification of Full Time Student Status – Please provide proof of enrollment for current school term (only if applicable).

We look forward to reviewing your application.

**CERTIFICATION OF ANTICIPATED
GROSS ANNUAL HOUSEHOLD INCOME**

Name of Head of Household _____

Project Address: _____

The purpose of this certification is to assist the Housing Division in determining your eligibility for one of the City's Housing Programs. All information contained herein shall be kept confidential. This form should be completed by the head of household. All persons listed below must complete a separate Certification of Anticipated Individual Income.

Names of Household Members (including yourself)	Relationship to Head of Household	Age	Anticipated Gross Annual Income
	HEAD OF HOUSEHOLD		
TOTAL ANTICIPATED ANNUAL GROSS HOUSEHOLD INCOME			

I, the undersigned, state that I have completed this form accurately and completely to the best of my knowledge for all persons who are to occupy the unit in the above housing development for which application is made.

Signature of Head of Household

Date

**CERTIFICATION OF
ANTICIPATED GROSS ANNUAL INCOME
TO BE COMPLETED PER INDIVIDUAL OVER 18 YEARS OF AGE**

This form should be completed by **EACH** household member that has any type of income listed in Part A, and not listed in Part B of the City of SAN FERNANDO's Definition of income. Please attach verification of all income reported (i.e.: pay stubs, interest statements, etc.).

Name of Occupant: _____

Social Security Number: _____

Note: If there is NO income, enter "no income." Sign and date this form.

SOURCE (wages, overtime, interest, pension, Social Security, SSI, child support, unemployment, etc.)	GROSS AMOUNT (Amount before any deductions received each Pay Period)	PAY PERIOD (weekly, biweekly, monthly, etc.)	ANNUAL GROSS (Total income before any deductions for one year)
TOTAL ANNUAL GROSS INCOME			

Are you a fulltime student? YES____ NO____

If yes, attach a copy of your proof of enrollment/class schedule for the current school term.

I hereby state that all of the above statements are true, accurate, and complete to the best of my knowledge and belief.

Signature of Occupant

Date

Copy as Necessary for Each Household Member



**HOME REHABILITATION PROGRAM
APPLICATION FOR SPECIAL HOUSING INSPECTION**

In accordance with HUD national housing rehabilitation goals and objectives and the City’s General Plan, it is the intent of this program to bring home up to current local building code standards. Therefore, before any application can be processed, the applicant must arrange for the Program Building Inspector to inspect the property where the home improvement is to take place. As the Subject property will be thoroughly inspected inside and out, an adult must be present on the premises when the inspection takes place.

It is understood that any hazardous conditions, or violations of the City building or municipal codes must be corrected whether or not the proposed loan or rebate is eventually made. Should the loan or rebate be made some or all of the funds must be used to correct the deficiencies noted by the Program Building Inspector.

The City of San Fernando will enforce the California Building Code section CBC 310.9 regarding SMOKE DETECTORS being placed in all homes where building permits have been issued.

De acuerdo con metas de rehabilitación de la Ciudad de San Fernando y los objetivos nacionales de HUD y el plan general, es el intento de este programa traer su casa hasta estándares locales actuales del código municipal de construcción. Por lo tanto, antes de que cualquier uso pueda ser procesado, el aspirante debe arreglar para que el inspector de la ciudad del programa examine la característica donde está ocurriendo los mejoramientos caseros. Como la casa será examinada a fondo adentro y afuera, un adulto debe estar presente en las cuando ocurra la inspección.

Se entiende que cualquier condición peligrosa, o la violación de código de la ciudad o los códigos municipales deben ser corregidos aun sin que el préstamo o la rebaja propuesta sea aprobada. Si el préstamo o la rebaja se realice, algunos o todos los fondos deben ser utilizados para corregir las deficiencias conocidas por el inspector del programa.

La ciudad de San Fernando hará cumplir el código de la sección CBC 310.9 del código de construcción de California con respecto a los DETECTORES DE HUMO que son colocados en todos los hogares en donde se han publicado los permisos de construcción.

Applicant: _____

Address of Property to be inspected: _____

Phone (day): _____ Phone (evening): _____

Anticipated date of Inspection: _____

Owner has read and agreed to the above provisions.

Applicant’s Signature

Date

Co-Applicant’s Signature

Date



FAIR LENDING NOTICE

To: All applicants for a real property secured loan to purchase, construct, rehabilitate, improve or refinance an owner-occupied one-to-four family residence: and all owner-applicants for a real property secured home improvement loan to improve a one-to-four family residence (whether or not owner occupied):

“The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the U.S. Comptroller of the Currency, Consumer Affairs Division, Washington D.C. 20219.”

The California Housing Financial Discriminating Act of 1977 provides in part as follows:

“35810. No financial institution shall discriminate in the availability of, or in the provision of, financial assistance for the purpose of purchasing, constructing, rehabilitating, improving, or refinancing housing accommodations due, in whole or in part, to the consideration of conditions, characteristics, or trends in the neighborhood or geographic area surrounding the housing accommodation, unless the financial institution can demonstrate that such consideration in the particular case is required to avoid an unsafe and unsound business practice.

35811. No financial institution shall discriminate in the availability of, or in the provision of, financial assistance for the purpose of purchasing, constructing, rehabilitating, improving, or refinancing housing accommodations due, in whole or in part, to the consideration of race, color, religion, sex, marital status, national origin, or ancestry.

35812. No financial institution shall consider the racial, ethnic, religious, or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, and under what terms and conditions, to provide financial assistance for the purpose of purchasing, constructing, rehabilitating, improving, or refinancing a housing accommodation. No financial institution shall utilize appraisal practices that are inconsistent with the provisions of this part.”

If you wish to file a complaint, or if you have questions about your rights, contact:

Comptroller of the Currency
Administrator of National Banks/Western District
Consumer Complaint Department
50 Fremont Street
Suite 3900
San Francisco, CA 94105

I (We) have received a copy of this notice.

Signature of Applicant

Date

Signature of Applicant

Date



DEFINITION OF INCOME

A. INCOME INCLUSIONS include the following (unless such income is described in (B) below:

1. 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. Net income from the operations of a business or professions. Expenditures for business expansion or amortization of capital indebtedness cannot 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, 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 \$5000, 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. The full amount of periodic payments 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 payment (except as provided in number 14 of Income Exclusions).
5. 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. 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:

- The amount the allowance or grant exclusive of the amount specifically designated for shelter and utilities; *plus*
 - The maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. 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. All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

B. INCOME EXCLUSIONS. The following income is excluded from the amount set forth above:

1. Income from the employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide (as defined in 24 CFR5.403).
6. The full amount of student financial assistance paid directly to the student or to the educational institution.
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8. (a) Amounts received under training programs funded by HUD.
(b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and

benefits because they are set aside for use under a plan to Attain Self-Sufficiency (PASS).

- (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program.
 - (d) Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c) (8)(iv).
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
9. Temporary, nonrecurring, or sporadic income (including gifts).
 10. Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
 11. Earnings in excess of \$480 for each full-time student 18 years of age or older (excluding the head of household or spouse).
 12. Adoption assistance payments in excess of \$480 per adopted child.
 13. For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the 1937 Act (43 U.S.C. 1437t), or any comparable federal, state or local law during the exclusion period.
 14. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
 15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
 16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
 17. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609 (c) apply, including:

- The value of allotment made under the Food Stamp Act of 1977;
- Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- Payments received under the Alaskan Native Claims Settlement Act;
- Payments from the disposal of funds of the Grand River Band of Ottawa Indians;
- Payments from certain sub marginal U.S. land held in trust for certain Indian tribes;
- Payments, rebates, or credits received under Assistance Programs (includes any winder differentials given to the elderly);
- Payments received under the Main Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 9z Stat. 1785);
- The first \$2000 of per capita shares received from judgments awarded by the Indian Claims Commission of the Court of Claims or from funds the Secretary of the Interior holds in trust for an Indian tribe;
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs, or veterans benefits;
- Payments received under Title V of the Older Americans Act (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- Earned income tax credit;
- The value of any child care provided or reimbursed under the Child Care and Development Block Grant Act of 1990; and
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, State job training programs and career intern programs).