

# City of Oelwein

*Home Rehabilitation Program*



## Revolving Loan Fund

Application Package

## Program Overview

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The City of Oelwein's Home Rehabilitation Revolving Loan Fund (RLF) Program is established to provide resources to improve residential neighborhoods and livability of single-family homes through providing low interest loans to low- and moderate-income residents to complete rehabilitation projects on their homes. Upper Explorerland Regional Planning Commission (UERPC) is responsible for administering the program on behalf of the City of Oelwein.

Applicants meeting the eligibility criteria may apply for funds to finance property improvements that substantially improve the livability and/or protect the structural integrity of the home. The minimum loan amount is \$1,000 and the maximum amount is \$15,000. The fully amortized loan term under the program for all loans will equal 10 years. Loan interest rates will range from 1 to 4% and determined based on the applicant's family income as compared to the median family income for Fayette County.

## Type of Assistance Available

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*All funding assistance provided will be made in the form of low interest loans.*

**Loan Amount:** The minimum loan amount is \$1,000 and the maximum amount is \$15,000. The fully amortized loan term under the program for all loans will equal 10 years.

**Interest Rates:** The interest rates will range from 1 to 4%. The rate for each loan is determined based on the applicant's family income as compared to the median family income for Fayette County.

**Match Funds:** Applicants will be required to provide matching funds if their income is equal to or greater than 80% of the Median Family Income for Fayette County. The match dollar amount ranges from 10-25% dependent on income determination. The match funding will typically be required to be provided in the form of cash or cash equivalent. Other types of match will be considered on a case-by-case basis.

## Equal Opportunity Statement

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**Non-discrimination.** No one shall be denied assistance on the basis of race, color, national origin, religion, creed, age, sex, disability, familial status, political affiliation, citizenship, gender identity, or sexual orientation. This is an Equal Opportunity Program.

## Application Procedure

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Applications are accepted on an ongoing basis pending fund availability. There is a \$50 application fee payable to City of Oelwein at time of submission. The applications will be reviewed in the order they are received and presented to the Oelwein City Council for approval once initial eligibility is determined and a site inspection has been completed UERPC. The time from application submission to approval ranges from 4-8 weeks on average.

Application forms are available online or can be picked up in person from:

Oelwein City Hall  
20 2<sup>nd</sup> Avenue SW  
Oelwein, Iowa 50662

Upper Explorerland Regional Planning Commission  
325 Washington Street  
Decorah, Iowa 52101

Applications are available for download at [www.uerpc.org](http://www.uerpc.org) or [www.cityfoelwein/housing](http://www.cityfoelwein/housing).

**To be considered a complete application the following must be returned to Oelwein City Hall or UERPC:**

- Completed application form
- \$50 application fee (check written to City of Oelwein)
- Proof of income -two months most recent paystubs, verification of social security/veteran/government benefits, investment income statements, and all other relevant documentation as noted on application materials)
- Two years most recent federal and state tax returns (3 years if self-employed)
- Proof of homeowner’s insurance
- Signed release forms
- Description of work to be completed with requested funds
- Two detailed estimates for project work from licensed contractors
- Permits when needed

Applicants will be notified of loan approval status and advised of next steps in the process via postal mail.

*As of June 8, 2023 the income limits by household size are:*

<b>Household</b>	<b>150%</b>	<b>125%</b>	<b>100%</b>	<b>80%</b>
1 member	\$142,800	\$119,000	\$95,200	\$76,160
2 members	\$142,800	\$119,000	\$95,200	\$76,160
3 members	\$164,220	\$136,850	\$109,480	\$87,584
4 members	\$164,220	\$136,850	\$109,480	\$87,584
5 members	\$164,220	\$136,850	\$109,480	\$87,584
6 members	\$164,220	\$136,850	\$109,480	\$87,584
7 members	\$164,220	\$136,850	\$109,480	\$87,584
8 members	\$165,375	\$137,813	\$110,250	\$88,200
	Homeowner Match	Homeowner Match	Homeowner Match	Homeowner Match
	25% of project cost	20% of project cost	10% of project cost	N/A
	Interest Rate	Interest Rate	Interest Rate	Interest Rate
	4%	3%	2%	1%

# Applicant Eligibility

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## *Income Eligibility:*

To determine initial eligibility, a household's gross income may not exceed 150% of the Median Family Income (MFI) of Fayette County for the household size.

## *Other Eligibility Criteria:*

- Property owner must occupy the unit and hold title to the property. Funding will not be provided for homes being purchased on contract or applicants utilizing life leases.
- Owner must be current on property taxes and utility bills for the subject property.
- Owner must provide proof the property is adequately insured to cover full cost of all mortgages and liens held against the property. This must be maintained throughout the loan term.
- Property must not be subject to any foreclosure notices or proceedings.
- Property must be free of liens outside the normal scope of a first or second mortgage. Subsequent loans on the home will be considered on a case-by-case basis.

# Loan Repayment

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## *Monthly Payments*

The amount of the monthly loan payment is based on the amount borrowed, interest rate, and loan term. All loan terms are set at a fixed interest rate amortized over a 10-year term. Loan recipients will be provided a closing disclosure document listing all costs associated with the loan along with a full amortization schedule. Payments may be made by postal mail, drop off at city hall, or through auto-debit. A \$30 fee will be assessed for any returned checks. There is no penalty for prepayment.

## *Loan Closing & Fees*

All approved applicants will be responsible for paying closing costs as detailed in the schedule below. These costs may be paid upfront or included with in the loan if the total borrowed does not exceed the \$15,000 maximum. Closing costs paid up front may be considered contribution towards the required match dollars.

Costs Due by Loan Recipient at closing:

Mortgage recording fee:	\$27.00 (Check to City of Oelwein)
Title Lien Search:	\$175.00 (check to City of Oelwein)
Homeowner Match:	TBD by income eligibility (check to City of Oelwein)

Total Amount Due = \$202.00 to be paid to the City of Oelwein. This will be collected prior to project start date.

## *Security and Default*

Loans will be secured by a promissory note to be signed by the borrower(s) on the day of loan closing. A real estate mortgage lien will be filed with the Fayette County Recorder's Office in an amount equal to the loan value. The lien will be subordinate to any first mortgage held on the property. The lien will not be released until the loan is paid in full. Loan recipients will also be required to list the City of Oelwein as a loss payee on their property insurance for the duration of the loan.

If a change of ownership or occupancy status occurs prior to the loan term expiring the loan will be called due in full. In the case of a home sale, the remaining balance on the account will be payable from the proceeds of the residence.

## Eligible Rehabilitation & Improvement Projects

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***To be eligible for funding the property subject to the loan must be an existing, habitable, and owner-occupied single-family dwelling located within the city limits of Oelwein.***

The mission of the proposed program is to improve the structural integrity of housing units in the City of Oelwein through repair and rehabilitation of existing homes. Rehabilitation is not remodeling. Rehabilitation is defined as improvement and repair directed toward an accumulation of deferred maintenance, and/or needed replacement of principal fixtures and components of existing structures, including but not limited to:

- Roof repair or replacement, including gutters and downspouts.
- Repair or replacement of mechanical systems (furnace, air conditioning, water heater).
- Upgrade to minimum 100 Ampere electrical service, electrical repairs, and replacement of fixtures.
- Upgrade plumbing service, plumbing repairs, and needed replacement of fixtures.
- Structural repairs and reconstruction including foundation or chimney repair.
- Repairs due to termite damage or to treat for termites.
- Exterior siding repair or replacement and exterior paint.
- Repair or replacement of entrance doors and windows.
- Repair or replacement of porches and decks to fix code or safety violation.
- Repair or replacement of floor coverings.
- Interior wall and ceiling repair, drywall, interior doors and trim, and paint.
- Removal of unsightly blight, dilapidation, or deterioration due to deferred maintenance, such as tear down of dilapidated garages or sheds.
- Garage repair.
- Functional landscaping for redirection of water or retaining walls to prevent soil erosion.
- Tree and brush trimming and removal to prevent roof or siding damage, for safety, or to cure blight.
- Sidewalk and driveway repair or replacement.
- Smoke detectors and dead bolt locks for safety and home security.
- Improvements to increase the efficient use of energy in structures through installation of storm windows and doors, siding, wall and attic insulation, weather stripping.
- Improvements to increase the efficient use of water
- Inspection, testing, and remediation of lead-based paint, asbestos, or other environmental hazards.
- Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings.

Priority scoring will be given to projects addressing at least one of the above items and/or code violations, health and safety issues, and energy efficiency. Projects falling outside these guidelines while still meeting the integrity and intent of the program will be considered on case-by-case basis.

No Home Rehabilitation Program funds shall be utilized for a new addition or new building expansion, unless approved by the City Council and necessary for the express purpose of code compliance or accommodation based on the American Disabilities Act (ADA) Accessibility Guidelines.

# City of Oelwein Home Rehabilitation Revolving Loan Fund Application

## 1. APPLICANT INFORMATION

ADDRESS OF RESIDENCE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

### APPLICANT

Name: \_\_\_\_\_

SS# \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Daytime Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Employer: \_\_\_\_\_

Gross Monthly Amount: \$ \_\_\_\_\_

Additional Source of Income: \_\_\_\_\_

Monthly Amount: \$ \_\_\_\_\_

### CO-APPLICANT

Name: \_\_\_\_\_

SS# \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Daytime Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Employer: \_\_\_\_\_

Gross Monthly Amount: \$ \_\_\_\_\_

Additional Source of Income: \_\_\_\_\_

Monthly Amount: \$ \_\_\_\_\_

## 2. HOUSEHOLD COMPOSITION

\_\_\_\_\_ Total # of Persons Living at Residence

\_\_\_\_\_ # Age 18 and older

\_\_\_\_\_ # Age 17 or younger

GROSS MONTHLY INCOME OF HOUSEHOLDERS OVER 18 (not including Applicant or Co-Applicant)

Name: \_\_\_\_\_

Monthly Income: \$ \_\_\_\_\_

Source: \_\_\_\_\_

Name: \_\_\_\_\_

Monthly Income: \$ \_\_\_\_\_

Source: \_\_\_\_\_

## 3. HOME OWNERSHIP INFORMATION

Mortgage Financial Institution	\$ Current Balance	\$ Monthly Payment
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Mortgage Financial Institution	\$ Current Balance	\$ Monthly Payment
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## 4. FINANCIAL INFORMATION

Checking Account Financial Institution: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

Savings Account Financial Institution: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

Additional Account Financial Institution: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

Additional Account Financial Institution: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

**5. LOAN REQUEST INFORMATION**

Describe the Nature and Need of the Proposed Project Improvements (use additional pages as needed):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Provide Project Cost Estimates (attach full detailed estimates with application submission):**

Cost Estimate #1: \$ \_\_\_\_\_ Contractor: \_\_\_\_\_

Cost Estimate #2: \$ \_\_\_\_\_ Contractor: \_\_\_\_\_

**6. APPLICATION SIGNATURES AND REQUIRED ATTACHMENTS**

I/We certify that the information given in this application is true and correct to the best of my/our knowledge. I/We understand that an intentional misrepresentation of information may disqualify me/us from obtaining assistance under the Housing Rehabilitation program. I/We authorize the City of City of Oelwein and UERPC to keep this application whether approved or not. I/We authorize the City of City of Oelwein and UERPC to check my/our credit and employment history, to have a consumer credit report prepared on me/us for the purposes of evaluation this application and to answer questions about my/our credit record. I/We understand that I/We must update credit information at your request or if my/our financial condition changes. I/We agree to the terms of the program as defined in the Housing Rehabilitation Program Administrative Guidelines.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant

\_\_\_\_\_  
Date

# AUTHORIZATION TO RELEASE INFORMATION

I hereby authorize Upper Explorerland Regional Planning Commission, on behalf of the City of Oelwein, to obtain background and verification information needed in connection with my loan application to include, but not limited to:

- Past and present employment history to include employment history, dates of employment, title, income, hours worked, stability
- Verification of non-employment income and benefits
- Bank accounts, trusts, stock holdings, and any other balances
- Ownership interest in other real property
- All other information not specifically names relevant to processing of my loan application

I further authorize Upper Explorerland Regional Planning Commission to order a consumer credit report and verify other credit information, including past and present mortgage(s).

I acknowledge this authorization is valid for the life of the loan and a photocopy of this authorization may be accepted as an original.

I am aware that all adult household members that will be living in my home must sign the release form and cooperate with the verification process. Failure by any adult household member may result in the disqualification of my application. (An adult household member includes anyone age 18 or older.)

***Applicant or Adult Household Member:***

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

***Co-Applicant of Adult Household Member:***

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

***Adult Household Member:***

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_