

City of New Bedford



HOUSING REHABILITATION

DEPARTMENT OF PLANNING,
HOUSING & COMMUNITY DEVELOPMENT

Patrick J. Sullivan
Director

HOUSING REHABILITATION

Area of Focus for this presentation:

Selecting Quality Contractors

Rehabilitation Process

Ensuring Compliance

Underwriting Criteria

Eligibility Analysis

Agreements

Project Profiles

HOUSING REHABILITATION PROGRAMS

Commercial Rehabilitation

The City of New Bedford's Department of Planning, Housing & Community Development [DPHCD] offers assistance through its Community Development Block Grant Program (CDBG) to rehabilitate commercial structures according to HUD guidelines that fall within eligible census tracts within the City. Please contact the DPHCD to determine whether your property is eligible.

These programs provide assistance on a reimbursement basis for expenditures incurred AFTER written approval of an application has been given by the DPHCD.

STOREFRONT REIMBURSEMENT PROGRAM

The main objective of this program is to provide financial assistance for necessary rehabilitation and restoration of commercial storefronts located within eligible census tracts in the City of New Bedford. Only commercial storefronts are eligible and all work is limited to the exterior portion of the building considered to be the commercial storefront by the Department of Planning, Housing & Community Development.

Funding: This is a direct grant reimbursement from the CDBG program and is subject to the eligibility and availability of this funding source.

Maximum Funding: The amount of the reimbursement will represent the approved cost for materials only and cannot exceed \$2,000.00

Where can I get more information? Where do I apply ?

Department of Planning, Housing & Community Development
[DPHCD]
608 Pleasant Street 2nd Floor
New Bedford, MA 02740

Telephone 508.979.1500 TTY 508.979.1661
Fax 508.979.1575

<http://www.newbedford-ma.gov/cd/welcome.html>



The City of New Bedford is an Equal Opportunity Housing Lender

City of New Bedford,
Massachusetts
Jonathan F. Mitchell
Mayor



Department of Planning, Housing
&
Community Development
Patrick J. Sullivan

Home Ownership & Rehabilitation Programs and Commercial Rehabilitation

Department of Planning Housing & Community
Development [DPHCD],
608 Pleasant Street, 2nd Floor,
New Bedford, MA 02740.
Phone: (508) 979-1500, TTY (508) 979-1661..



Rev. June, 2016

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Housing and Commercial Rehabilitation Programs

What are these programs?

The City of New Bedford's Department of Planning, Housing & Community Development has produced this pamphlet as an introduction to housing programs, available funding for owner-occupied and investor-owned residential properties and commercial rehabilitation funding available in New Bedford.

These programs are geared toward providing funds to benefit low-moderate income individuals and families in the City of New Bedford by securing and/or improving their housing and commercial buildings throughout the City.

This pamphlet provides a brief description of each housing program and the commercial program administered through the City's Department of Planning, Housing & Community Development.

Who provides these funds?

The City of New Bedford's Department of Planning, Housing & Community Development [DPHCD] receives federal funding through the HOME Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG) program from the U.S. Department of Housing & Urban Development (HUD). In addition to these federal funds, DPHCD also administers state programs on behalf of the Massachusetts Housing Partnership Fund (MHP), the Dept of Housing & Community Development (DHCD) and MassHousing.

How much money is there?

The amount of money available depends on the program, itself, as well as the availability of funding. This is important to remember because the City only receives a certain amount of funds each year for the programs and all of these programs are subject to the availability of funding.

Please contact the DPHCD for more information about funding availability.

According to HUD guidelines, applicants, unless otherwise noted, must fall within the income limits based on the number of people living in your household, as presented in this chart.

Qualifications for these funds vary depending on the program. Contact us for more information.

Household Size	Gross Annual Hhld. Income
1 Person	\$33,000
2 Person	\$37,700
3 Person	\$42,400
4 Person	\$47,100
5 Person	\$50,900
6 Person	\$54,650
7 Person	\$58,150
8 Person	\$62,200

Where can I get more information? Where do I apply ?

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HOUSING REHABILITATION PROGRAMS

"Neighborhoods First" First Time Home Buyer Program

This HOME-funded program offers Down Payment, Closing Cost, GAP and Rehabilitation assistance to help enable income eligible applicants to purchase their first homes. Purchased property must be a 1-3 Unit, owner occupied home located in New Bedford.

Eligible Borrowers:

First time home buyers that meet HUD income limits. Borrowers must also qualify for a mortgage with a participating lender, as well as complete an approved First Time Home Buyer Seminar.

Eligible Activities:

Applicants must provide a minimum of 1.5% of the purchase price, from their own funds, for single and two-family properties, and 3% of the purchase price, from their own funds, for three family properties; specific programs may require larger down payments.

Rehabilitation assistance used primarily for the correction of substandard conditions and to comply with minimum housing quality standards, building codes and state sanitary & health codes. (Rehab must adhere to MA and HUD lead paint statutes).

Maximum Loan Amount:

Down payment and closing cost assistance: 5% of the Purchase price up to a maximum of \$10,000.

Rehabilitation Assistance: Up to \$20,000 for a single unit, \$30,000 for a two-unit and \$40,000 for a three unit property. Program also provides \$2,500 grant for units that receive a Certificate of Compliance for de-leading as part of rehab.

Interest Rates:

Down Payment, Closing Cost & GAP assistance funds will be a 0% deferred loan forgiven after 10 years and Rehabilitation loans up to \$10,000 are 0% deferred and forgiven after 10 years as long as the property remains owner occupied for the entire term of the loan. Rehab loans over \$10,000 are fully amortized at 3% for terms up to 30 years.

MassHousing Program

Through MassHousing, the Commonwealth provides opportunities for low or moderate income individuals/families who want to buy their first home or make needed home improvements. Programs include "Purchase and Rehab", "Buy New Bedford" and the "MassHousing Mortgage". MassHousing's programs generally have higher income limits (1-2 pers.\$86,100 and 3+ person households at \$99,000) for additional borrowers to qualify and are not limited to First Time Homebuyers. Contact the DPHCD or visit www.masshousing.com for more information

Massachusetts Housing Partnership (MHP) ONE Mortgage Program

This program helps income eligible first time homebuyers qualify for a higher mortgage amount by reducing monthly mortgage payments and eliminating the need for Private Mortgage Insurance (PMI). The "ONE" Mortgage Program is administered by the Massachusetts Housing Partnership Fund (MHP) and is offered through participating lenders. Contact the DPHCD or visit www.mhp.net for more information.

Eligible Properties: Purchased property must be a 1-3 Unit owner occupied home located in of Massachusetts.

Eligible Borrowers:

First-time home buyer must meet Income Eligibility Requirements based on the size of one's household. Contact the DPHCD or visit www.mhp.net for current income limits.

Program Benefits/Activities:

This program can work in conjunction with the "Neighborhoods First" First Time Home Buyers Program which provides Down Payment/Closing Cost assistance and Rehabilitation Assistance.

Rental Housing Rehab Program

This HOME-funded program will provide low interest loans to eligible applicants to rehabilitate rental properties occupied by low and moderate income tenants within the City.

Eligible Properties:

Residential single and multi-family New Bedford properties

Eligible Borrowers:

Investor-owned properties where tenants are required to meet income guidelines. Property owners not residing in the property are not subject to the income guidelines. Contact the DPHCD for current income limits.

Eligible Activities:

Correct code violations & ensure that property meets minimum housing quality standards, building codes and state sanitary and health codes; lead paint abatement & energy.

Interest Rate:

A 3% low interest loan with up to a 30 year amortization and a deferred loan. Structured as 50% @3%/ up to 30 yrs & 50% @0% deferred due upon sale or transfer of property.

Maximum Loan Amount:

Up to \$40,000/ unit to a maximum of \$200,000 per building. Availability is based on funding at time of application.

Financial Assistance Program

This CDBG-funded program is designed to provide low and moderate income households with financial and technical assistance to comply with Minimum Housing Quality Standards. The financial assistance is provided as a loan secured by a recorded mortgage on the property.

Eligible Properties:

1 - 4 family Owner Occupied properties in New Bedford.

Eligible Borrowers:

Owner Occupants that meet HUD income limits.

Eligible Activities:

Correction of code violations, including but not limited to: lead paint abatement, weatherization, repairs to correct heating, plumbing, electrical and roofing deficiencies.

Interest Rate:

A grant equal to 25% of the amount of assistance, up to a maximum of \$2,500. Balance will be a 3% fully amortizing loan, secured by a recorded mortgage. In the case of extreme hardship, a 0% deferred loan may be provided.

Maximum Loan Amounts:

1 family - \$24,000
2 family - \$40,000
3- 4 family - \$50,000



Housing Accessibility Program

This CDBG-funded program is designed to assist income eligible applicants with physical disabilities by providing financial and technical assistance to remove or alter architectural barriers and make the home handicap accessible.

Eligible Properties:

Single and Multi-family properties in New Bedford.

Eligible Borrowers:

Owner Occupants that meet HUD income limits or applicants residing in rental units that have written authorization from the property owner.

Eligible Activities:

Generally for installing handicap ramps, lifts, remodeling of bathrooms for handicap accessibility, etc.

Interest Rate:

Direct Grant

Maximum Grant Amount:

Grant Maximum of \$7,500.

Emergency Repair Program

This CDBG-funded program is designed to assist income eligible households alleviate dangerous, hazardous and/or unsanitary conditions.

This program is made possible by the federal Community Development Block Grant (CDBG). A grant of up to \$8,000.00 is available per owner-occupied home to assist with repairs.

Eligible Properties:

1 - 4 family Owner Occupied properties in New Bedford.

Eligible Borrowers:

Owner Occupants meeting HUD income limits.

Eligible Activities:

This program includes emergency repairs to plumbing, electrical, roofing and heating. This program will not fully rehabilitate a structure to code.

Interest Rate:

Direct Grant

Maximum Grant Amount:

Direct Grant up to a maximum of \$8,000.00 per HUD fiscal year with no more than one lifetime grant.

Lead Paint Programs

GET THE LEAD OUT: A MassHousing program providing financial assistance to eligible applicants for the removal of lead-based paint in single and multi-family properties in New Bedford and surrounding communities. Owner-occupants and investor-owned properties where tenants meet income guidelines (1-2 pers.\$86,100 and 3+ person households at \$99,000) are eligible for assistance. This program is only for lead paint abatement activities performed by a licensed de-leading contractor. Owner occupants receive a 0% deferred payment loan, due upon sale, transfer or refinancing of property. Investor-owners receive a 5% fully amortizing loan with monthly payments due. The following limits are set for each property type:

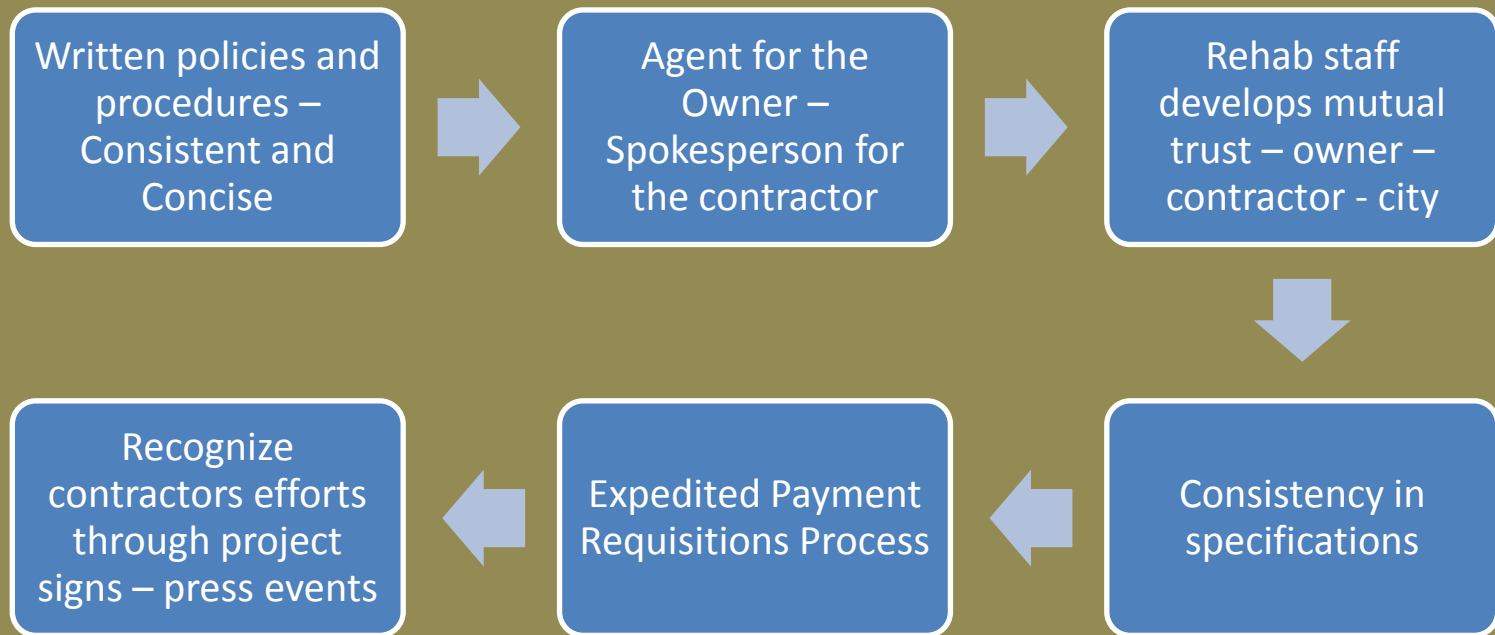
1 family \$30,000	3 family \$40,000
2 family \$35,000	4 family \$45,000

LEAD PAINT REIMBURSEMENT PROGRAM: This is a CDBG-funded program providing financial assistance to eligible applicants for the removal of lead-based paint in single and multi-family properties in New Bedford. Eligible applicants include owner occupants meeting HUD income limits and tenants of investor-owned properties that meet the HUD income guidelines. This program is limited to lead paint abatement performed by a licensed de-leading contractor. This program features a direct grant reimbursement at 50% of the approved cost of de-leading up to a maximum of \$2,500 per unit. Limited to 3 grants during current fiscal year.

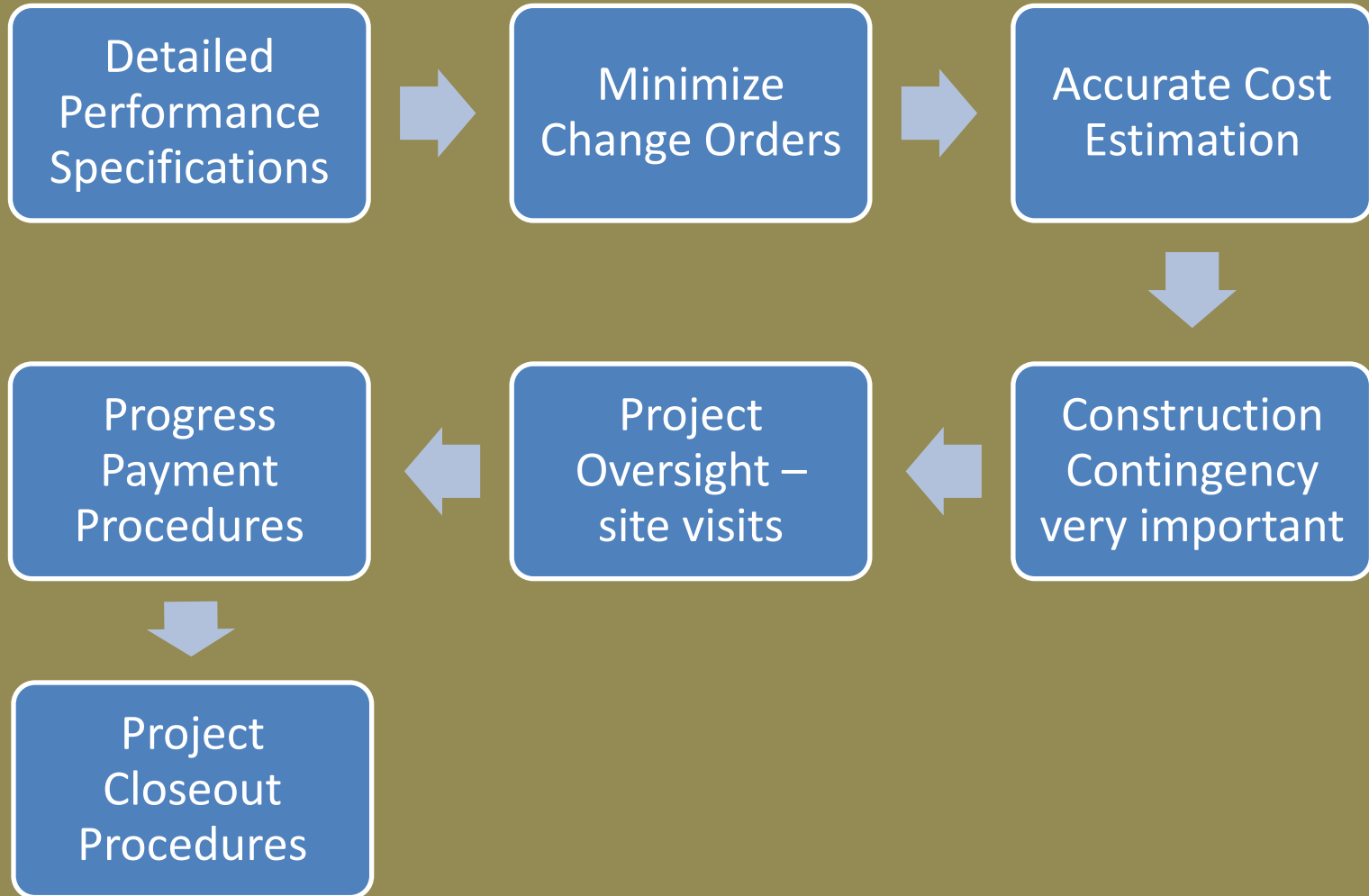
CONTRATORS

Million Dollar Question

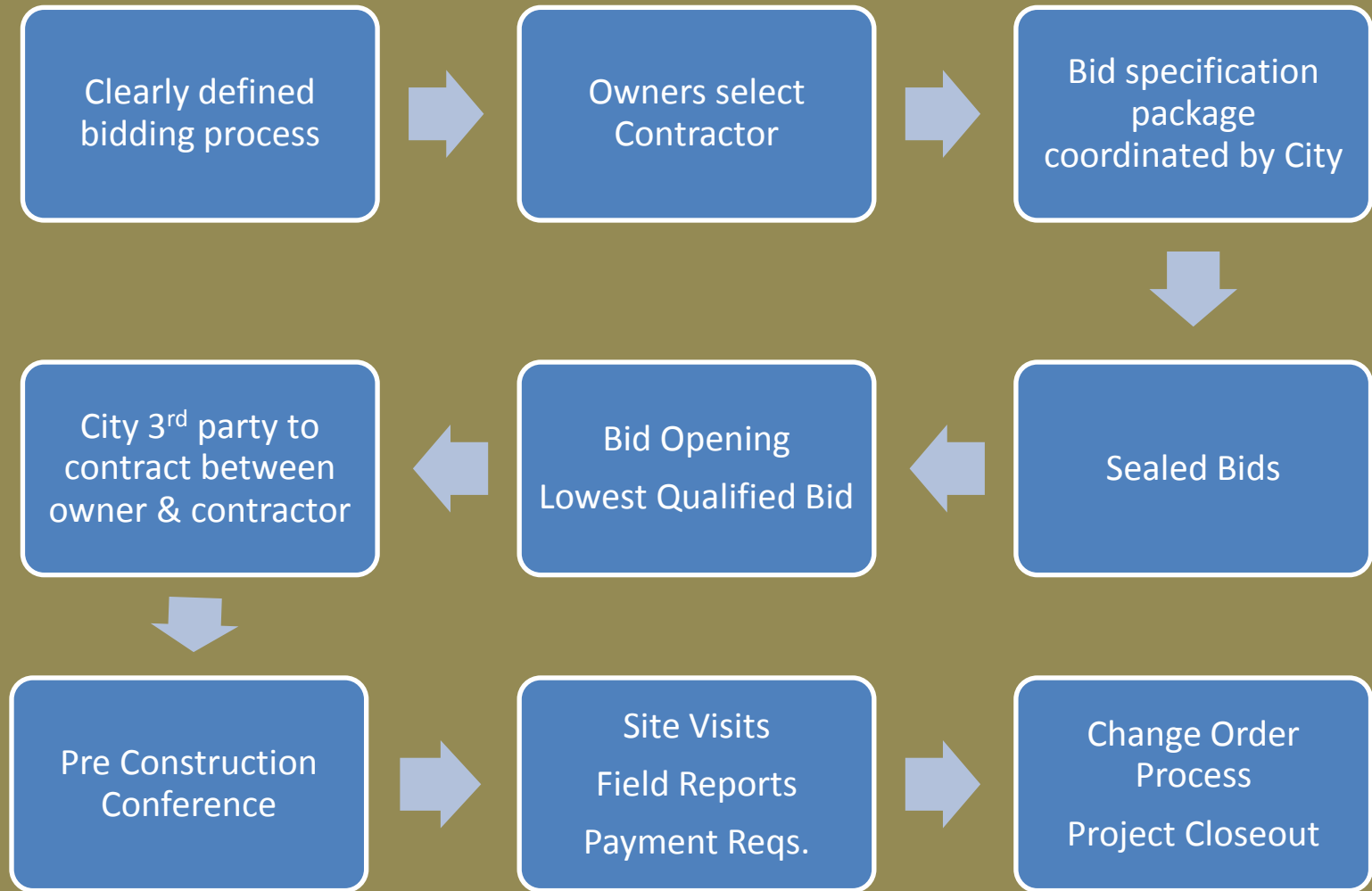
How to attract and keep quality contractors



REHABILITATION PROCESS



REHABILITATION PROCESS



ENSURING COMPLIANCE CHECKLISTS

Comprehensive checklist includes all program requirements

Verification Process

Necessary Documents

Lead Paint requirements

Construction Process

Environmental Review

Bidding Process

Loan Closing

APPLICATION CHECKLIST

Name _____ Co-Applicant _____
 Property Address _____ Units _____ Census Tract _____ Block Group _____

Account # _____ Loan Grant Amount \$ _____
 Terms of Loan: _____
 Monthly Payment \$ _____

PRELIMINARY FINANCIAL DOCUMENTATION:
 Signed Application _____ Date Rec'd _____
 Tenant Survey(s) (all) _____ Date Rec'd _____

VERIFICATIONS:	APPLICANT	CO-APPLICANT
A. Employment _____	Mailed _____ Rec'd _____	Mailed _____ Rec'd _____
B. Social Security _____	Mailed _____ Rec'd _____	Mailed _____ Rec'd _____
C. Mortgage _____	Mailed _____ Rec'd _____	Mailed _____ Rec'd _____
D. Deposits _____	Mailed _____ Rec'd _____	Mailed _____ Rec'd _____

NECESSARY DOCUMENTS:

A. Copy of Deed _____
 B. Copy of Homeowner's Insurance _____
 C. Copy of Mortgage Statements _____
 D. Copy of paid Tax Bill & Water/Sewer Bill (on all properties) _____
 E. Past 2 years Tax Returns/3 years if Self-employed _____
 F. Copy of checking/savings accounts _____
 G. Copies of most recent pay stubs (applicant & co-applicant) _____
 _____ Credit Check: Ordered _____
 Property Encumbrances: (List each) _____

LEAD PAINT PROGRAM CHECKLIST:

A. Dist. Of Lead Hazard Info Pamphlet _____
 B. Applicant rec'd Rehab Service Agree. _____
 C. Visual Inspection by Rehab. Specialist _____
 D. Cost Estimate to Determine Extent of lead \$ _____
 E. Visual Assessment Results Pass _____ Fail _____
 F. Risk Assessment _____
 G. Distribute Notice of Lead Hazard Evaluation (within 15 days after results) _____
 H. Relocation needed: Yes _____ No _____ Relocation Cost \$ _____
 I. Notice of LBP Reduction Activity (within 15 days of completion of work) _____

CONSTRUCTION:

Application Forwarded to Rehab. Dept.: _____ Date _____
 Rehab Specialist Assigned _____
 Initial Section 8 Inspection: _____ Date Completed _____
 Preliminary Project Estimate _____ Date Completed _____
 Photograph of Property: _____ Date Rec'd _____
 Lead Paint Inspection: _____ Date Completed _____
 Environmental Review: _____ Requested: _____ Received _____
 Loan Review Committee Meeting - Date: _____ Approved _____ Denied _____
 Preliminary Commitment Letter: _____ Date Mailed _____

Completed Work Write-up: _____ Date Completed _____
 Bidding Period: From: _____ To: _____
 Bids Received:
 (1) _____ \$ _____
 (2) _____ \$ _____
 (3) _____ \$ _____
 Contractor Selected: _____ \$ _____

Contractor checked on debarred list: _____
 Pre-closing Site Visit (Contractor & H/O): _____ Date _____

FINANCIAL:

Title Examination: Ordered _____ Rec'd _____
 Closing Date: _____

CLOSE OUT

Construction Punch List for Contractor _____ Date _____
 (Copy to Homeowner)
 Final Payment of Project: _____ Date _____

ENSURING COMPLIANCE CHECKLISTS

HOME Program Checklist

Structured for Developers

Full analysis of Development

Ensures Compliance with all HOME Requirements

Name	Developer's Address:		
Address:			
Total Units:	HOME Units:	Census Tract: Block Group: _____	HUD #
HOME Loan Number	Amount	Rate	Terms
Project Description:			

Documentation Checklist	
Application	
Appraisal	
Affirmative Marketing Plan	
Developer Financial Statement Review	
Developer Team Summary Review	
Sources & Uses Statement Review	
Operating Pro-Forma Review	
Rent Profile Analysis	
Development Cost Analysis	
Operating Cost Analysis	
Subsidy Layering Analysis	
Appraisal/Market Analysis	
URA Requirements	<input type="checkbox"/> Yes <input type="checkbox"/> No
Notification Sent	<input type="checkbox"/> Yes <input type="checkbox"/> No
Relocation Plan	<input type="checkbox"/> Yes <input type="checkbox"/> No

Environmental	
Environmental/Historic Review	
Site & Neighborhood Standards	
Historic Review	
Zoning Review	

Construction/Rehabilitation	
Rehab Specialist:	
Preliminary Cost Estimate:	\$
Handicap - Sec 504 Units:	
Initial Section 8 Inspection Comp:	
Review Plans & Specs	
Section 3, MBE/WBE Documents	
Bid Period	
From: ___/___/___ to ___/___/___	
Bids Received:	
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
Contractor Selected:	
Contractor checked on debarred list:	
Price:	\$ _____

Lead Based Paint Evaluation	
Distribution of lead hazard information Pamphlet/Rehab Service Agreement	
Lead paint inspection report [if applicable]	
Distribution of Notice of Lead Hazard Evaluation [w/in 15 days of assessment]	
Relocation needed:	<input type="checkbox"/> Yes <input type="checkbox"/> No
LP cost estimate:	\$ _____

Underwriting	
Project Analysis Completed	
Preliminary Commitment Letter	
Loan Review Committee Meeting Date:	
Loan	<input type="checkbox"/> Approved <input type="checkbox"/> Denied

HOME Requirements	
Total number of Units	
HOME Assisted Units	
Fixed or Floating Units	
High HOME Rent	
Low HOME Rent	

Closing Checklist	
Closing Date	
Completed Closing Checklist	
Commitment letter	

Financial & Closing	
Closing Attorney Provided Documentation:	
Final Payment of Project:	
Documentation of Final Inspection:	
Release of Liens	

Project Notes:	

HOME CHECKLIST: AGENCY

UNDERWRITING CRITERIA

Underwriting criteria

- Describes loan approval process
- Income
- Credit
- Underwriting Standards



PATRICK J. SULLIVAN
DIRECTOR

City of New Bedford

Mayor Jon Mitchell

Planning, Housing & Community Development

608 Pleasant Street, New Bedford, Massachusetts 02740

Telephone: (508) 979-1581 Facsimile: (508) 979-1575

HOUSING UNDERWRITING GUIDELINES

Owner Occupant:

The applicant must be a low-moderate income homeowner, that is, the homeowners' annual (gross) income cannot exceed 80 percent of the area's median family income, adjusted by family size, as determined by HUD.

A homeowner must own the property and must also occupy the property as his or her principal residence.

The Office of Housing and Community Development prohibits from discriminating against applicants on the basis of race, color, religion, national origin, sex marital status or age (providing the applicant has the capacity to enter into a binding contract) sexual preference, immigration status or because all or part of the applicant's income is derived from any public assistance.

Loan Approval Process:

The loan approval process includes a formal analysis of the following. A detailed eligibility analysis is prepared by appropriate staff and presented to the Housing Coordinator for approval and sign off. The loan is then presented to the Director for final review and approval.

Underwriting criteria:

Income - Annual income is defined as the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. The Office of Housing and Community Development permits income verification dated no earlier than 6 months prior to eligibility. Households must qualify as low income at the time of occupancy or at the time funds are invested, whichever is later. Exhibit 2.1 delineates the acceptable Income Inclusions and Exclusions. Do not count the following members in determining family size for income limit purposes: foster children, live-in aides; unborn children, a child who is subject to a shared-custody agreement in which the child resides in the household at least 50 percent of the time can be counted. The gross rental income will be added as calculation of annual income.

UNDERWRITING CRITERIA

Credit Standards

Eligible Rehabilitation Costs

Value of the Property

Credit- Acceptable borrowers should have established a sound record of credit use, all credit accounts must be verified, including present balance, monthly payment and rating. The Office of Housing and Community Development will require written explanations from the borrower for any derogatory items that appear on the borrower's credit report. Generally, borrowers with previous bankruptcies, the bankruptcy must have been discharged at least two (2) years prior to application. The Office of Housing and Community Development adheres to the requirements of the Equal Credit Opportunity Act. If the borrower has no previous credit experience, the Office of Housing and Community Development may accept non-traditional evidence of credit worthiness. Written verifications from these sources will be required.

Underwriting Standards:

In all cases, the applicant must have an acceptable credit, and mortgage payment history. These minimum standards apply to all applicants, including those who do not make monthly repayments on their loans. Following is the minimum standard for credit:

- 12 month current payment history for mortgage and/or utilities will be the standard.
- Bankruptcy must be discharged two years prior to date of application
- Applicants are expected to have good credit, in accordance with industry standards. Any delinquent or charged off accounts must be paid or an acceptable payment plan must be established.

Loans underwritten by the City will use 65 percent of gross monthly income for total debt to income ratio.

Eligible Rehabilitation Costs:

- Development hard costs – actual rehabilitation costs include:
- Costs to meet Section 8 Minimum Housing Quality Standards (HQS)
- Costs to meet local code and rehabilitation standards.
- Abatement of lead-based paint hazards.

The rehabilitation is evaluated to adhere to a priority repair system under which the most serious problems must be corrected before less severe conditions are reviewed. The amount of assistance needed will be guided not only by the rehabilitation standards, but also by the ability of homeowners to repay the rehabilitation loans.

Value of the Property:

All loans will require a review of current assessed value or recent appraisal value if available in order to determine loan to value ratios. Generally, the loan to value ratio including the rehabilitation should not exceed 120%.

The level of assistance and feasibility of the loan will be determined in part by the above factors.

UNDERWRITING CRITERIA

Loan Terms and Conditions

Repayment Requirements:

Additional Loan Conditions

Loan Limits

Refinancing

Loan Subordination Policy

Loan Approval Procedures

Loan Terms and Conditions: The repayment of rehabilitation loans will be determined by several factors:

- Credit History
- Value of Property
- Scope of the proposed work/ program limits
- Availability of alternate funding sources and liquid assets
- Homeowners ability to repay

Repayment Requirements:

The program will assist homeowners by providing **low-interest loans, deferred payment loans or extreme hardship deferred payment loan** to cover the cost of the needed repairs.

- ❑ **A Low Interest Loan** is a loan that will be repaid an interest rate between 0% and 3% over a specific period of time.
- ❑ **A Deferred Payment Loan** is a loan for which yearly payments are deferred as long as the initial family continues to reside in the rehabilitated home. Payments will be due at sale, lease or transfer of the property.

For clients who are under 50% of the Area Median Income, a perpetual lien will be attached to the property at the time of the assistance. All payments will be deferred until sale or transfer of the property. Upon sale or transfer of the property, the City will be repaid the full amount of the federal assistance.

For clients between 51% and 60% of the area Median Income, a determination will be made on what portion of the rehabilitation costs the family can afford to repay to the City. The repayable portion will be at an interest rate of 3%. A perpetual lien will be secured against the property. Whatever portion is not repaid by the family, will be deferred until sale or transfer of the property. At that time, the City will be repaid the full amount of the federal assistance.

For clients between 61% and 80% of the Area Median Income, a loan, secured by a lien against the property, will be made at an interest rate of 3% for the cost of the rehabilitation. The term of the loan will depend on the amount of funds invested in the property. If it is determined that the family does not have the ability to repay a loan, a perpetual lien will be secured against the property and the loan amount will be deferred until the sale or transfer of the property. At that time, the City will be repaid the full amount of federal assistance.

In all cases, the City will be repaid at the time of sale all of the funds invested in rehabilitating the property. This will generate repayments that can be used to assist additional homeowners.

*If the property is transferred to one or more heirs of recipients of federal assistance, and one or more of these heirs intends to continue residence in the assisted property, the City

ELIGIBILITY ANALYSIS

Each Loan is
carefully
underwritten

Evaluate
employment or
Income sources

Credit Standards

ELIGIBILITY ANALYSIS

Applicant:
Co-Applicant:
Property Address:
of Units:
Census Tract/ Block Group:
Program: "Financial Assistance" Program Limit **\$24,000**

Completed By: Date:

1. Complete signed application with supporting documentation.
 2. Signed authorization to obtain credit, employment verifications.
 3. Total annual house income: \$ Family Size:
 4. Income Eligible (<80% of median) (Income Limit \$)
 5. Status of city taxes and fees.
 6. Establishing "Good Credit and Stable Income"
 - A. Employment: Applicant: # of years
Co-Applicant: # of years
- Has the applicant (s) changed jobs recently?
What is the explanation for the job change?
7. Analyze the credit report to determine the intent and willingness of an applicant to repay the loans in a regular and timely manner. If an applicant has little or no credit, other evidence that demonstrates timely payment of obligations, such as rent, telephone, and electric bills may be acceptable.

Did the credit report reveal:

- aa. Any current debt not included on the application?
- bb. Any late payments within the previous 24 months.
- cc. No established credit history.

ELIGIBILITY ANALYSIS

Existing debt is analyzed

Determine debt/Income ratios

Defines loan terms

LOAN EVALUATION

HOUSING EXPENSES:

1 st Mortgage PITI	\$	1 st Mortgage <u>Amount</u>	\$
2 nd Mortgage PITI	\$	2 nd Mortgage <u>Amount</u>	\$
Monthly Loan Payments (> 10 months)	\$	TOTAL DEBT	\$
		Property <u>Value</u>	\$ (Assessed)
		Proposed <u>Loan</u>	\$
Monthly revolving debt	\$	TOTAL DEBT	\$
(5% of outstanding bal.)	\$	EQUITY	\$
TOTAL MONTHLY DEBT	\$		
TOTAL GROSS ANNUAL INCOME	\$		
MONTHLY INCOME	\$		

BORROWER

BASE	\$
OTHER (SS)	\$
OTHER	\$
RENTAL	\$
TOTAL	\$

CO-BORROWER

\$
\$
\$
\$
\$

TOTAL MONTHLY INCOME	\$
HOUSING DEBT SERVICE RATIO	%
TOTAL DEBT/INCOME RATIO	%
PROPOSED LOAN	\$
HOUSING DEBT SERVICE RATIO W/LOAN	%
TOTAL DEBT/NET INCOME RATIO W/LOAN	%

COMMENTS:

AGREEMENTS - CONSTRUCTION

Completed as part of the
closing documents

City is a third party to the
Agreement

Articulates:

- Price
- Time of Performance
- Progress Payments

PROPERTY OWNER/REHAB CONTRACTOR AGREEMENT

THIS CONTRACT made this _____ day of _____ month & year by and between _____, hereinafter called "Owner" and _____ located at _____ thereafter called the "Contractor."

WITNESSETH:

That the Owner and the Contractor, for the considerations hereinafter named, mutually agree as follows:

ARTICLE 1 CONTRACT DOCUMENTS

The Contract Documents shall consist of the Construction Rehabilitation Contract (if applicable), Conditions of the Contract (General, Supplementary and Other Conditions), Attached Sketches and Noted Photos, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after the execution of this Agreement; these form the Contract and are as fully a part of the Contract. The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations and agreements, both written and oral.

ARTICLE 2 SCOPE OF SERVICES

The Contractor shall do all the work and provide all the materials, tools, machinery, supervision, etc., necessary for the rehabilitation of the property located at _____ all in accordance with the Work Write-Up which are attached hereto and expressly incorporated herein by reference and made a part hereof.

The contractor shall perform the entire rehabilitation of the residential structure as described in the contract documents.

ARTICLE 3 TIME OF PERFORMANCE

The services of the Contractor are to commence within thirty (30) days, and shall be completed by _____.

ARTICLE 4 CONTRACT PRICE

In consideration of the terms and obligations of this Contract, the Owner agrees to pay the Contractor _____ Dollars (\$ _____).

ARTICLE 5 PROGRESS PAYMENTS

The Contractor agrees that the total contract price shall be paid in one or more progress payments based upon the value of the work satisfactorily completed at the time the progress payment is made. In accordance with the Progress Payment Schedule. Such progress payments shall be disbursed, after inspection and approval of the work by the Owner and the Office of Housing and Community Development, (OHCD) or its duly authorized representative, less a retainage of 10% of the price of the work completed. Prior to receiving any progress payment, the Contractor shall furnish the Owner with Application and Certificate for Payment, for the materials and labor procured under this Contract. Upon completion of the whole Contract and acceptance of the work by the Owner and OHCD, and compliance by the Contractor with all Contract terms, and executed Release of Liens Statement, the amount due the Contractor shall be paid including any retainage. The Owner and OHCD shall approve a final disbursement of all amounts withheld from prior disbursements upon the completion of the construction of the Project as evidenced by the final approval by all code agencies and a field inspection by OHCD. OHCD and the Owner may withhold from such disbursement up to two hundred percent (200%) of any amounts required to complete the scheduled value of "punch list" items so-called, and seasonal work such as landscaping.

AGREEMENTS - CONSTRUCTION

Addresses Changes in
scope

Procedures for change
orders

Termination of
Agreement

ARTICLE 6 CONTRACTOR AFFIDAVIT

Prior to each payment by the OWNER, the CONTRACTOR shall affirm that there are no liens or claims filed against the CONTRACTOR or Owner related to materials, labor or services supplied on this or any other project in which the CONTRACTOR was or is currently involved. No payment shall be made to the Contractor if a lien has been filed with respect to the work, which is the subject of this Contract.

Final payment shall be made within thirty (30) days after the request for payment by the CONTRACTOR, provided that the Work of the Contract be then satisfactorily performed, subject to the provisions of the Contract Documents, and further subject to receipt by the OWNER of the same Affirmation relative to existing liens or claims against the CONTRACTOR as set forth above. Upon such final payment, the CONTRACTOR shall provide to the OWNER a Final Release of Lien stating that the CONTRACTOR has no further claims or liens against the Owner for materials or labor supplied under this Agreement.

ARTICLE 7 OWNER'S REPRESENTATIVES/LENDER'S AGENTS

The Owner's Representatives shall be:

(Rehabilitation Specialist)

The Owner's Representatives will provide administration of this Contract during construction and throughout the warranty period.

The Owner's Representatives will visit the site at intervals appropriate to the stage of construction to determine if the Work is proceeding in accordance with the Contract Documents.

Based on Owner's Representative's evaluation of Contractor's invoices for payment, the Owner's Representative will determine the amounts owing to the Contractor.

The Owner's Representatives will have authority to reject Work that does not conform to the Contract Documents.

If the Contractor fails to correct defective Work or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner's representatives, by a written order, may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

ARTICLE 8 CHANGES IN THE WORK

After this agreement is executed by the Owner, any changes to the scope of Work, budget or time schedule must be agreed upon in writing by the Owner and Contractor and approved by the lender's representatives.

ARTICLE 9 (For applicable Lead Paint Abatement removal) FINES

The Contractor is fully responsible for the means and methods of executing the scope of work. The Contractor is specially trained in the safe work practices and lead hazard reduction and therefore agrees to hold the owner and the agency harmless in the event of any fines from federal or local agencies controlling the lead hazard reduction work. The Contractor agrees to immediately satisfy any and all fines or judgments presented by OSHA, EPA, the local or state health department, the state office of lead hazard control and any other governmental agency having jurisdiction over the lead hazard reduction work.

ARTICLE 10 TERMINATION OF AGREEMENT

This agreement may be terminated by either party upon seven days' written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.

This agreement may be terminated by the Owner upon at least seven days written notice to the Contractor in the event the project is permanently abandoned.

In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all services performed to the termination date.

AGREEMENTS - CONSTRUCTION

Arbitration clause spells out the procedures in the event a dispute between owner and contractor develops

Execution by all parties to the Agreement

ARTICLE 11 ARBITRATION

All claims, disputes and other matters in question between the parties to this agreement, arising out of or relating to this agreement or the breach thereof, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. No arbitration arising out of or relating to this agreement, shall include, by consolidation, joinder or in any manner, any additional person not a party to this agreement except by written consent containing a specific reference to this agreement and signed by the Rehabilitation Specialist, the Owner, and any other person sought to be joined. Any consent to arbitration involving an additional person or persons shall not constitute consent to arbitration of any dispute not described therein or with any person not named or described therein. This agreement to arbitrate and any agreement to arbitrate with an additional person or persons duly consented to by the parties to this agreement shall be specifically enforceable under the prevailing arbitration law.

Notice of the demand for arbitration shall be filed in writing with the other party to this agreement and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, in no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim dispute or other matter in question would be barred by the applicable statute of limitations.

The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 11 ASSIGNMENT OF CONTRACT

This agreement may not be assigned to any other Contractor or Agent of Contractor without the written approval of the Owner and OHCD.

IN WITNESS WHEREOF, the parties hereto executed this Agreement the day and year first above written.

Contractor

Acceptance By Owner

-Owner

Title

-Owner

Witness:

Subscribed and sworn to before me
by the above:

This day of

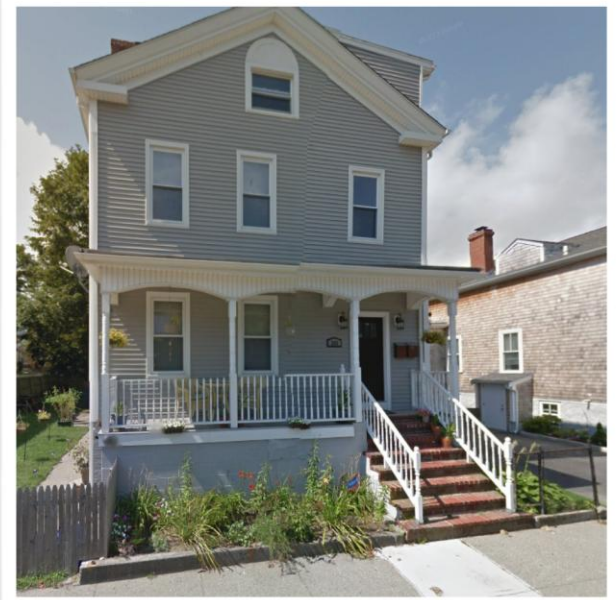
Notary Public

Commission expires:

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