



HOUSING REHABILITATION LOAN PROGRAM PROGRAM OVERVIEW

The **Egremont** Board of Selectmen, working in conjunction with Berkshire Community Development., seeks applicants for a regional housing rehabilitation program. The funding is provided by the Massachusetts Executive Office of Housing and Livable Communities and allows a **0% interest, deferred, forgivable loan** to make critical repairs to your home. This program is designed to improve existing housing conditions of low- and moderate-income resident households by eliminating code violations. Eligible repair activities will include, but not be limited to, electrical, heating and plumbing work; minor structural repairs; roof and siding repairs; insulation and window replacement; lead paint and asbestos removal; and handicap accessibility improvements.

ELIGIBILITY

Preliminary eligibility is defined as an applicant meeting the initial eligibility requirements, as laid out in the pre-application, in order to qualify to begin the housing rehabilitation application process. Final eligibility is determined after the fully completed loan application and all supporting documentation is received, reviewed and accepted by the BCD Housing Rehab Program Manager.

Applicants: This program is offered to owner-occupied single-family/multi-family and investor-owned units in the Towns of Egremont and Lee. If the structure is a single-family owner-occupied unit, the owner must meet income guidelines of low to moderate income. If the structure contains year-round rental units, at least 51% of all the households including rental units/renters must meet these income limits. The applicant must be the property owner of record for the proposed residential structure. *Please refer to the table for income levels based on household size.*

EGREMONT

Family Size	1	2	3	4	5	6	7	8
Very Low Income	38,350	43,800	49,300	54,750	59,150	63,550	67,900	72,300
Low Income	61,350	70,100	78,850	87,600	94,650	101,650	108,650	115,650

LEE

Family Size	1	2	3	4	5	6	7	8
Very Low Income	39,400	45,000	50,650	56,250	60,750	65,250	69,750	74,250
Low Income	63,000	72,000	81,000	90,000	97,200	104,400	111,600	118,800

CONSTRUCTION

Structures: The primary purpose of the deferred payment loan program is to bring deteriorated residential units into compliance with all applicable Federal, State and Local codes. To be eligible, a structure or portion thereof must be residential and contain one or more code violations. Note: All code violations must be corrected as a condition of participating in the BCD Housing Rehabilitation Program. A Housing Rehab Specialist will conduct a site visit and develop a detailed work write-up and cost estimate. The Housing Rehab Specialist will then review these items with the homeowner.

NOTE: BCD Housing Rehabilitation Program is a moderate rehabilitation program. If upon completion of a site visit, detailed write-up and cost estimate, the Housing Rehab Specialist determines that the dollars needed far exceed program limits, the project can be deemed infeasible, and funding denied.

FUNDING MECHANISM-DEFERRED PAYMENT LOANS

The BCD Housing Rehabilitation Program offers Deferred-Payment Loans (DPLs) to finance the rehabilitation of eligible projects. The maximum DPL is \$40,000 per unit to address code violations. An additional \$10,000 per unit is available when improvements include removal of lead paint or asbestos, making handicapped access, septic system replacement or multiple energy-efficiency enhancements. **The DPL is secured by a lien placed on the property for a period of 15 years. The interest rate is 0%. The DPL will be forgiven at a rate of 1/15th per year provided the property owner(s) are not in any way in default; therefore, Deferred-Payment Loans do not require monthly loan payments.** If a property is sold or transferred within the 15-year period after rehabilitation completion, the funds will be recaptured on a prorated basis. **After the 15-year recapture period expires, the loan is forgiven.**