

## Owner-Occupied Home Repair Loans

### How to Qualify

#### *Preliminary Qualification*

- You must be purchasing or own your home and have occupied it for six months prior to submitting your application.
- Your house must be located within the Bellingham City limits.

#### *Eligible Incomes*

- To apply for loans through this program, your household income must not exceed the moderate-income limit shown on the Income Table located on Page 2. The Income Table shows adjustments that account for the size of your family.

### Types of Loans

Loans With Payments Who Qualifies: Homeowners under the age of 62 and *not* disabled with a household income between 60% and 80% Area Median Income (AMI) that can afford to make payments, rather than a deferred loan, would be required to make regular payments. These payments would be due to the City quarterly (once every three months).

**Interest Rate:** This would be a fixed rate of at least 1%, but no greater than 5% calculated for 15 years. The rate is based on 1% below the Prime Rate at the time of the loan application.

**Terms:** These households with income between 60% and 80% (AMI) adjusted for family size, will be expected to contribute up to 25% of their adjusted gross income to mortgage, including the rehabilitation loan. For example, a 2 person household, earning \$33,000 annually, should be expected to afford \$8,250 in annual mortgage payments, or \$687.50 per month. If their existing mortgage is \$500 per month, the household would be able to afford \$187.50 in additional monthly payments to the housing rehabilitation loan program. Any amount in excess of the affordability level would be deferred until either income changes or change in ownership occurs.

**Loan Amount:** Up to \$24,000.00 may be borrowed.

**Payments :** Payments would be due every three months (January, April, July October).

### Loans with Payment Deferred

#### Deferred Payment with a 5 year Term

**Who Qualifies:** Homeowners that are under the age of 62 that have a household income less than 60% AMI.

**Interest Rate:** Loan repayment would be deferred per Terms (see below). Interest would be charged at a fixed rate of at least 1%, but no greater than 5% calculated for 15 years. The rate is based on 1% below the Prime Rate at the time of the loan application. Interest is calculated for 15 years and the housing rehabilitation loan payment would be deferred.

**Terms:** The loan is termed meaning that the income of the household would be reviewed annually through a self-certification program, and comprehensively (source documents) in five years to determine whether the household could make payments at that time. An explanation of self-certification review is available upon request.

**Loan Amount:** Up to \$24,000.00 may be borrowed

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**Deferred Payment Loan**

**Who Qualifies:** Homeowners that are over 62 years of age and or disabled that qualify as low or moderate income.

**Interest Rate:** This would be a fixed rate loan with payment deferred. Interest would be charged at a fixed rate of at least 1%, but no greater than 5% calculated for 15 years. The rate is based on 1% below the Prime Rate at the time of the loan application.

**Terms:** The loan is due when the house is sold, the property title is transferred, or there is a change of use or occupancy.

**Loan Amount:** Up to \$24,000.00 may be borrowed.

None of the above home repair loans are assumable.

Upon sale or other transfer of the property, whether by operation of the law or otherwise, or in the event that the property ceases to be used as the primary residence of the owner, or upon change from a single family residence, the loan amount will, at the lender's option, become due and payable.

For more information, please contact Lisa Manos, Housing Programs Specialist at (360)778-8391, or email: [lmanos@cob.org](mailto:lmanos@cob.org)

Maximum Annual Gross Income		<i><b>Income Table</b></i>						
Household Size	1	2	3	4	5	6	7	8+
Moderate-Income	\$37,450	\$42,800	\$48,150	\$53,450	\$57,750	\$62,050	\$66,300	\$70,600
Low-Income	\$23,050	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750	\$41,450	\$44,100