

Terms

Voluntary participation is limited to owner-occupied households at or below 80% of area median income (AMI) as established by the Department of Housing & Urban Development (HUD) (see the HUD Income guidelines on this brochure for details.)

The terms:

<60% AMI: 10 year, 0% interest, 100% deferred loan
<80% AMI: 10 year, 0% interest, 80% deferred loan

The outstanding balance of the loan (adjusted for amortization and partial forgiveness) is due and payable upon sale or transfer of the property.

The full amount of the loan (adjusted for amortization payments received by the City) will be due and payable in the event of default by the homeowner, including, failure to occupy the unit; renting out the house, or failure to comply with other loan requirements.

The City of Lorain will place a soft second mortgage on the property at loan closing. The City will only accept second or third place position of this mortgage on a case by case basis.

The City of Lorain must be added as an Additional Insured to the homeowner insurance policy during the duration of the loan period.



Building, Housing & Planning Department

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City of Lorain Building, Housing & Planning

HOME Rehabilitation Loan Program



For City of Lorain Residents Only

While funding is available

Home Rehabilitation Program

The City of Lorain HOME Rehabilitation Loan Program affords eligible low-and-moderate income homeowners to make repairs on their home to improve the quality of their lives and create a positive effect in the surrounding neighborhood.

The program provides up to \$75,000 of home rehabilitation to owner-occupied houses in the City of Lorain (includes all closing costs and any administrative costs associated with the loan).

Owner-occupied households must reside within City limits and must not be delinquent on any property, local, state, or federal taxes. A 20% repayment plan contract through the county is required if the property taxes are delinquent.

Applicants' liquid assets must not exceed \$100,000. Liquid assets include cash in checking and savings accounts, money transfer apps (CashApp, Venmo, etc.), certificates of deposit (CDs), and other investments.

The City of Lorain reserves the right to withdraw from any project for the following reasons:

1. If the cost of repairs exceeds the value of the property.
2. If the property is in substandard condition.
3. Upon disapproval of the City of Lorain Loan Review Committee
4. Unsatisfactory credit report (will not be the sole factor in determining eligibility)

These determinations will be made at the time of initial inspection and/or appraisal prior to any repairs made to the property.



2025 HUD Income Limits (SUBJECT TO CHANGE EACH YEAR PER HUD GUIDELINES):

Per Household Income

<u>60 % AMI</u>	<u>80% (Low Income)</u>	<u>Family Size</u>
\$41,760	\$55,650	1
\$47,760	\$63,600	2
\$53,700	\$71,550	3
\$59,640	\$79,500	4
\$64,440	\$85,900	5
\$69,240	\$92,250	6
\$73,980	\$98,600	7
\$78,780	\$104,950	8

Participation and approval is subject to the availability of funds for the Home Rehabilitation Program.



Eligible Repairs

- Structural Hazards: leaking roof, rotted or unsafe floors, ceilings, walls, stairs, etc.
- Electrical and other fire hazards
- Gas Lines
- Roof and gutter repair or replacement
- Heating system repair or replacement
- Repair of existing air conditioning systems (Must be medically related and verified through a third party professional)
- Plumbing (includes: water tank and water-lines which may include branch lines and well pump repair or replacement) and sewer or septic repair
- Any and all deficiencies found during the initial inspection must be corrected and brought up to code under this program before additional repairs will be considered

ADA Accommodations

- Ramps
- Grab bars
- Door widening
- Adjustment to door knobs/faucets
- Assisted technology devices (i.e. flashing smoke detectors)
- Toilets

Assistance with ADA eligible accommodations is based on income qualifications which are based on HUD income limits to accommodate the applicant in their home.

The above ADA accommodations are for owner occupants to make their homes more accommodating for said disability.

Ineligible Repairs

- Remodeling
- Fences
- Landscaping
- Additions