

Dear Prospective Participant in Emergency Home Repair Program:

Recently you contacted SICOG about our emergency home repair program to make improvements to your home. Attached is an application for this program. Please read this letter and then decide if you qualify for the program.

Our emergency repair program is a forgivable loan program that offers up to \$4,700 per home. The program is designed to correct problems that threaten livability. The program is not designed to repair merely cosmetic items or random maintenance items.

The first test of eligibility is your **total** household income. Income is total gross (pre-tax) income for the past 12 months at the date of application of **all** persons living in the home or anticipated to live in the home after repairs are completed. The income scale and amount of your contribution to the total bid cost is as follows:

<u>Household size (after work completion):</u>	<u>1 or 2</u>	<u>3 or more</u>	
• If your total income is less than	\$ 2,925	\$ 3,363	You pay 5% of cost
• If your total income is less than	\$ 11,700	\$ 13,455	You pay 10% of cost
• If your total income is less than	\$ 23,400	\$ 26,910	You pay 25% of cost
• If your total income is less than	\$ 29,250	\$ 33,638	You pay 40% of cost

If your total income is greater than the above amounts, you are ineligible for assistance. Please call if you have questions about how income is calculated.

As part of the enclosed application form, SICOG requires information about your income, including copies of tax forms, verification forms from social service agencies, and other information that shows your sources of income and certain expenses.

Your portion of the costs will be determined as a percentage of the approved contractor bid for the work. A letter will be sent to you stating the amount you are required to pay. You will be given a reasonable amount of time to come up with the funds or to seek the funds from other source(s). Funds must be received in the SICOG office **before** the contractor(s) begin work.

The second test of eligibility is a completed application along with proof of ownership of your home and documentation of insurance or why your home is not insurable. The enclosed application form lists the items we need for proof of ownership. Contract owners can apply but will not be assisted without contract seller approval. Rural residents with connection to adequate water and sewer facilities (as documented) may apply. Renters or those NOT hooked to compliant water and sewer are NOT eligible.

The third test of eligibility is the work you need completed. Upon receipt of an eligible application, our rehabilitation specialist will meet with you in your home to verify need for repairs.

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The repairs that are eligible for this program are:

Roofs, gutters, downspouts: especially over 20 years old, that have leaking problems, or that are uninsurable without repair (note: we **do not** do metal roofing or cover existing shingles)

Furnaces: Replacing outdated, non-working, or dangerous furnaces and heating systems with standard 92% efficiency furnaces (note: SICOG to receive **all** energy rebates)

Water Heaters: Replacing water heaters that leak or are severely outdated (not a standalone project)

Homes that are deemed beyond repair will not be assisted. If this is the case, we will notify you by letter and describe what you can do, if anything, to make your home feasible for repair. Further, homes needing less than \$1,000 of eligible repairs, by our estimation, will generally be denied assistance.

The fourth and final test of eligibility is willingness to participate. All adult household occupants must be willing to participate in an approximately 2-hour homeownership and maintenance course provided by Iowa State Savings Bank, which is the sponsor of this program. You must also be willing to sign a mortgage or deed restriction that will be placed on the property for five years. Both must be done before a contractor is allowed to work or supplies are purchased.

If you meet all these requirements, we will submit a letter with bid specifications to contractors and a copy to you. If you have a contractor preference, please contact Doug Davidson at our office. Upon review of two or more received written estimates, we will contact you to discuss the most advantageous contractor as determined by 1) price, 2) timeliness, 3) experience and reputation, and 4) availability of adequate contractor liability insurance.

Once the most advantageous contractor is selected, we will send a letter to you requesting your portion of the funds along with a copy of the mortgage or restriction documents. Once all documentation is received in our office, we will allow the contractor(s) to begin work. When work is completed, we will pay the contractor a lump sum for the work and materials. There will be no contractor payment agreements in lieu of a cash match.

The retention document (mortgage) secures the home for five years. If you remain in your home as your primary residence and maintain your homeowner insurance, other loans, and taxes for five years, you will owe nothing on our loan. If you move or sell within the five years, you will repay a portion. Your portion will be reduced over the five years on a monthly basis.

While there is no application fee, a \$12 fee will be requested at the time of final approval to help cover the costs of recording the retention document (mortgage).

The attached application is meant to be simple to complete. Please notice the list of requested items. After you have secured the required items, please complete and submit the application. **Applications are considered on a first-come, first-served basis until funds are depleted. Applications must be signed originals, but other items can be faxed or e-mailed.** Thank you for your interest.

Sincerely,

Doug Davidson, Housing Rehabilitation Specialist

Enclosure – Application form