

2008 CLEVELAND REHAB LOAN PROGRAMS

Special programs available to Cleveland residents and investors



Includes program information from the City of Cleveland, local nonprofits and local lenders!*

Download this document at: <http://www.city.cleveland.oh.us/government/departments/commdev/rehab08.pdf>

Sponsored by:



CITY OF CLEVELAND
Mayor Frank G. Jackson



Living in Cleveland
CENTER

www.LiveCLEVELAND.org

**Live
CLEVELAND!**

Participating Rehab Loan Providers

**Charter One Bank
Dollar Bank
First Merit Bank
Key Bank
National City Bank
US Bank**

**Cleveland Action to Support Housing
Cleveland Restoration Society**

NHS of Cleveland

Housing Enhancement Loan Program (HELP)

City of Cleveland

5 things to know when hiring a contractor!

** All loan applications subject to lenders approval including evaluation of credit history & appraisal of property.*

Lending Institutions

Other information: Participating lenders: Fifth Third Bank, Huntington Bank, Key Bank, National City Bank, US Bank. Visit <http://treasurer.cuyahogacounty.us/homeimprove/Helpandout.pdf>

Charter One Bank / Any local Charter One branch

<i>Program Name</i>	<i>Loan Amounts</i>	<i>MaxTerm</i>	<i>Interest Rate</i>	<i>Fees</i>	<i>Loan-to-Value Ratio</i>	<i>2nd Mortgage Req'd</i>	<i>Max Debt Ratio</i>	<i>Income Restrictions</i>	<i>Investor Owner</i>	<i>Geographic Restrictions</i>	<i>Type of Home</i>
EZ Home Improvement Loan	min - \$1,000 max - \$10,000	\$1,000 loan - 12-36 mo; \$1,001+ 12-84 mo.	1% (\$1,000 loan); 6% (\$1,001+)	none	NA	no	cannot exceed 45%; min credit score 620	less than 80% ami if not in lo/mod area	no; must be owner occupied	low to moderate income census tract	owner occupied 1-4 unit home or condo
Other information: Program covers typical home improvements. For 1% loans, payment by auto-debit from Charter One account is required. Only one 1% loan per household. Statement and certification for use of funds is also required.											
Energy Efficiency Loan	min - \$1,000 max - \$10,000	12 - 84 months	1% (up to \$3,000); 3% (\$3,001+)	none	NA	no	cannot exceed 45%; min credit score 620	less than 80% ami if not in lo/mod area	no; must be owner occupied	low to moderate income census tract	owner occupied 1-4 unit home or condo

Other information: Program is limited to home improvements that increase the home's energy efficiency. For 1% loans, payment by auto-debit from Charter One account is required. Only one 1% loan per household. Statement and certification for use of funds is also required.

Dollar Bank / Any local Dollar Bank branch

<i>Program Name</i>	<i>Loan Amounts</i>	<i>MaxTerm</i>	<i>Interest Rate</i>	<i>Fees</i>	<i>Loan-to-Value Ratio</i>	<i>2nd Mortgage Req'd</i>	<i>Max Debt Ratio</i>	<i>Income Restrictions</i>	<i>Investor Owner</i>	<i>Geographic Restrictions</i>	<i>Type of Home</i>
Home Works Home Improvement Loan	min - none max - \$50,000	180 months	market rate	appraisal fee (if required: \$35- \$130)	135%	yes	40%	NA	no; must be owner occupied	none	1-4 unit

Other information: No home equity required. No obligation fees. No closing costs. No prepayment penalty. Visit any branch or call 1-800-242-BANK to apply.

First Merit Bank / Bill Covill 216.802.6510, henry.covill@firstmerit.com

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
Home Style Renovation Mortgage	min - \$25,000 max - \$417,000	30 yrs	set daily	\$330 application fee. Call for additional info.	95% - 1-2 unit; 80% - 3-4 unit; 80% 1 unit investment	no	determined by automated underwriting system	none	yes	none	1-4 unit owner occupied; 1 unit second home; 1 unit investment property
Streamline 203K Rehabilitation Program	call for details	30 yrs	set daily	\$330 application fee. Call for additional info.	97.75% for purchase; 97% refi; 95% refi w/ cash out	no	31/43 or determined by auto. underwriting system	none	no	none	1-4 unit primary residence

Special Rehab Loan for Targeted Census Tracts: Many home purchases in targeted census tracts are closed on homes that are vacant. These vacant homes normally will not have utilities turned on and many need repairs that cannot be determined prior to closing. This program is for purchase rehab transactions in targeted census tracts. FirstMerit Mortgage will underwrite and approve the borrower for 100% of the purchase price of the home, plus an additional \$10,000. The \$10,000 will be used over the first 18 months of the loan to pay for improvements to the home. The funds will be held in an FMMC construction escrow account. The borrower(s) will make full principal and interest (P&I) payments on the loan balance. To draw funds from the escrow account, the borrower(s) must have a contract with a qualified contractor approved by our Construction Loan department. The work must be complete and inspected prior to funding the payment of the improvements. At the end of the 18-month period, any remaining funds in the construction escrow will be applied to principal and the P&I payment will be recast.

Key Bank / Eddy Chatmon 216.813.8648, eddy_chatmon@keybank.com or Cynthia Blake 216.813.8695, cynthia_d_blake@keybank.com

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
Home Assist Purchase - Rehabilitation	call for details	30 yrs	market rate	½ % up to \$1,000	max 97%	no	consider to 40%	less than 80% HUD ami if not in lo/mod area	no	Key Bank Assessment Areas	1-2 unit owner occupied

National City Bank / Wade Hampton 216.222.2891, wade.hampton@ncmc.com

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
FHA 203K	max \$298,750	30 yrs	fixed rates; 3/1 & 5/1 arms avail.	3% down payment req'd	98.75% if value < \$50,000; 97.75% for LTV over 50K	no	31/43; 33/45 with energy efficient repairs	none	no; must be owner occupied	none	1-4 unit owner occupied primary residence

U.S. Bank / Laura Malone 216.475.7812, laura.malone@usbank.com

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
American Dream with Repair Escrows	90% of purchase price	30 yrs	.125% below 30 yr fixed rate	fees related to inspection and title	cannot exceed 110%	no	35/41	less than 80% HUD ami if not in lo/mod area	no; must be owner occupied	none	1-4 unit primary residence

Other Information: A maximum amount of \$5,000 for repairs may be financed into the loan amount and amortized over the full term of the loan.

NON-PROFIT OFFERINGS

Cleveland Action to Support Housing / Cora Donley 216.621.7350 x20, cdonley@cashcleveland.org

Program Name	Loan Amounts	Max.Term	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
Cleveland Action to Support Housing (CASH)	min - \$3,000 max - none	12 yrs	3.3%	1% amt borrowed; 2% amt borrowed for 2+ unit	125%	yes	45%	none	yes	City of Cleveland	single family structures and apartment buildings

Other Information: Refer to www.cashcleveland.org for more details. Interest rates adjusted quarterly. Also available: Vacant House Purchase and Rehabilitation Program

Cleveland Restoration Society / Sara Beimers 216.426.3106, sbeimers@clevelandrestoration.org
Kerry Adams 216.426.3116, kadams@clevelandrestoration.org

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
Neighborhood Historic Preservation Program	min - \$5,000 max - \$250,000	12 yrs	1.3% fixed	\$99 Key Bank closing fee. 2% CRS mgmt/tech. assistance fee.	90% owner occupied; 70% non owner occupied	yes	45%	none	yes, 1-3 units	Cleveland wards: 4,6,7,8,9,10,13,14,15,17	1-4 units owner occupied; at least 50 years old; must retain majority of original architectural features.

Other Information: Refer to www.clevelandrestoration.org/HomeownerPrograms/nhpp.htm

Heritage Home Program	min - \$3,000 max - \$75,000	7 yrs (up to \$24,999); 10 yrs (\$25,000+)	3.5% fixed	\$500 escrow fee (only if loan based on After-Rehab appraisal)	90% owner occupied. 70% otherwise	yes	45%	none	yes, 1-3 units	Cleveland wards: 1,11,16,18,19,21	50 years or older; must retain majority of exterior architectural features including siding and windows.
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Other Information: The Heritage Home technical team also provides free historic preservation rehab advice to all homeowners in our service area. Interest rates adjusted quarterly. Note: Regarding 2nd Mortgage, Key Bank will only take 3rd position if they hold 2nd.

Neighborhood Housing Services / Anne Kodash 216.458.4663 x36, akodash@nhsccleveland.org

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
NHS of Greater Cleveland Home Repair Loan	min - \$1,000 max - \$60,000	30 yrs	6.5%	yes; varies	110%	yes	45%	none	no	none	1-4 unit owner occupied only

Other information: For more information, visit www.nhsccleveland.org.

Housing Enhancement Loan Program / Contact participating Lenders

Program Name	Loan Amounts	MaxTerm	Interest Rate	Fees	Loan-to-Value Ratio	2 nd Mortgage Req'd	Max Debt Ratio	Income Restrictions	Investor Owner	Geographic Restrictions	Type of Home
HELP	min - \$3,000 max - \$200,000	< \$12,500 - 5 yrs; > \$12,500 - 10 yrs	3% below client's approved rate	\$75-\$175; additional fees may apply for commercial loans	varies with lenders	varies with lenders	varies with lenders	none	yes	City of Cleveland	single-family and two-family homes with value less than \$250,000. No limit for 3+ unit structures

CITY OF CLEVELAND OFFERINGS

City of Cleveland / Frank G. Jackson, Mayor

Martin J. Sweeney, Council President

Daryl P. Rush, Director, Dept. of Community Development

Louise V. Jackson, Commissioner, Div. of Neighborhood Services

Afford-A-Home (AAH) - AAH combines a bank mortgage with a second mortgage from the City to cover the total cost of purchasing and repairing a home. The second mortgage is a deferred loan at 0% interest. A down payment of 3% is required for the 30 year fixed rate loan. Buyers who meet the listed income guidelines qualify for a second mortgage on any one or two family property in the City, up to \$10,000. Those with higher incomes are eligible for second mortgages of up to \$5,000 on properties located in the target area. AAH operates city-wide with the assistance of 12 neighborhood organizations. *CALL 216.664-4218 or 216.664-4217.*

Senior Housing Assistance Program (SHAP) - Small grants are available through the Department of Aging for elderly (60+) and disabled low-income homeowners, who reside in (and own) single or two-family homes in need of critical, health, safety and emergency maintenance repairs. *CALL 216.664.2833*

Home Weatherization Assistance Program (HWAP) - Grants of approximately \$3,250 per unit are available through the State of Ohio for homeowners and tenants who meet the low-income guidelines listed below. The free weatherization is performed by private contractors trained to State of Ohio standards. The City shares its State allocation with these six delegate agencies: Cleveland Housing Network, Cudell Improvement, Inc., Detroit Shoreway Community Development Org., Fairfax Renaissance Development Corp., Community Housing Solutions, and Mt. Pleasant Now. *CALL 216.664.4052 or 216.664.2045*

Paint Refund Program - Refunds of up to \$400 to cover the cost of paint and materials are available to homeowners and tenants who paint the exterior of their homes. Applicants must meet the income guidelines listed for the first come - first serve program. The application period usually opens in May. Every ward of the City is served by a neighborhood agency that issues credit vouchers for participants at local paint stores. *CALL 216.664.4053 or 216.664-2045 for applications or agency names and telephone numbers.*

	Household Size	AAH & Paint	SHAP	HWAP
Maximum Household Income Guidelines :	1	\$34,800	\$15,250	\$15,600
	2	\$39,750	\$17,400	\$21,000
	3	\$44,750	\$19,600	\$26,400
	4	\$49,700	\$21,750	\$31,800
	5	\$53,700	\$23,500	\$37,200
	6	\$57,650	\$25,250	\$42,600
	7	\$61,650	\$27,000	\$48,000
	8*	\$65,600	\$28,700	\$53,400

*HWAP - for households with more than 8 persons, add \$5,400 for each additional member.

FIVE (5) THINGS EVERY HOMEOWNER SHOULD KNOW WHEN HIRING A CONTRACTOR:

1. **Obtain three written estimates**
 - Check references by contacting the **Better Business Bureau** at 216/241-7678, the **Professional Remodelers of Ohio** 216/619-6274, or the **Home Builders Association** at 216/447-8700.
 - Ask for names, addresses and phone numbers of past customers, then contact them to determine their level of satisfaction.

2. **Obtain and review a written contract**
 - Include a three-day cancellation clause.
 - Be sure to precisely identify the scope of work to be done to your home.

3. **Verify contractor background information**
 - Make sure contractor is licensed, insured & bonded.
 - Call the City of Cleveland at 216/664-2910 to verify that the contractor is registered with the City of Cleveland.

4. **Contractor is responsible to obtain all permits**
 - Contractor must furnish copies of permits to homeowner.
 - Contractor must arrange all field inspections.

5. **Avoid advance payments**
 - Only pay for work that has been completed.
 - Keep the down payment amount at a minimum. Keep a file containing all records and receipts.