

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

51 MERCHANT STREET, 1st FLOOR • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7076 • FAX: 768-7057

KIRK CALDWELL
MAYOR



PAMELA A. WITTY-OAKLAND
DIRECTOR

REBECCA J. I. SOON
DEPUTY DIRECTOR

Enclosed please find the application and information about the City's **Rehabilitation Loan Program**.

Please completely fill out all 3 pages of the application and be sure to sign and date pages 2 & 3. Please also provide us with the supporting documentation listed below.

1. Federal Income Tax Return: **For each working or retired adult and dependent(s) working part-time** living in the house on the date of application, provide a signed copy of their most recent year's Federal Tax Return.
2. Income Verification: For each **working or retired adult and dependent(s) working part-time** living in the house on the date of application, please provide copies of the following, as applicable:
 - a) Pay stubs/statements covering the most recent 30-day period.
 - b) W-2 form used to file the most recent Federal Tax Return.
 - c) Statement of current year benefits from the Social Security Administration.
 - d) Retirement pension statement or award letter.
3. Credit Bureau Authorization Form (enclosed with application). All **applicants for the loan** must provide their printed name and sign and date the form.

This information will help us make a preliminary determination on your personal eligibility. We will contact you later to discuss the application process in more detail and we will set up an appointment to inspect your property if you appear eligible. Credit report and other fees will be disclosed and collected from you at a later time if you decide to continue with your loan application. All fees are paid to third-party credit bureau and title/escrow companies.

Our staff will assist you throughout the application process and please contact the Rehabilitation Loan Branch at 768-7076 for further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan S. Tamana", is written over a light blue horizontal line.

ALAN S. TAMANAHA
Rehabilitation Loan Branch Chief

Enclosures:

1. Loan Program Information Sheet
2. Loan Application Form
3. Credit Bureau Authorization Form

**CITY REHABILITATION LOAN PROGRAM
FOR OWNER-OCCUPIED – RESIDENTIAL PROPERTIES**

1. **Q. WHAT IS THE REHABILITATION LOAN PROGRAM?**

A. The Rehabilitation Loan Program utilizes Federal funds available through the Community Development Block Grant (CDBG) program of the United States Department of Housing and Urban Development (HUD) to make low-interest loans to income-eligible, owner-occupant homeowners who are interested in repairing and improving their properties.

2. **Q. WHAT KINDS OF REPAIRS OR IMPROVEMENTS CAN BE MADE WITH THE LOAN?**

A. The loan is used to repair and correct deteriorated and hazardous conditions on the property including damage caused by termites or wood rot, leaky roofs and drain pipes, peeling paint, faulty electrical wiring and plumbing, etc. The installation of energy savings systems such solar water heating and photovoltaic units are eligible, excluding units with batteries to store energy. The loan may also be used to accommodate the special needs of the disabled members of the household.

3. **Q. WHO IS ELIGIBLE TO APPLY FOR A LOAN?**

A. Owner-occupant homeowners whose total household income is within the income limit schedule listed below are generally eligible. The current maximum income limits for owner-occupant homeowners, by household size, are as follow:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
\$70,500	\$80,600	\$90,650	\$100,700	\$108,800	\$116,850	\$124,900	\$132,950

4. **Q. WHAT MUST A HOMEOWNER REPAIR AND CORRECT UNDER THE LOAN PROGRAM?**

A. All deficiencies identified by the City Rehabilitation Inspector must be repaired and corrected to ensure the property is safe and sanitary.

5. **Q. HOW MUCH MONEY CAN A HOMEOWNER BORROW?**

A. The loan amount for rehabilitation work on an owner-occupied property is up to \$300,000. Loan amounts exceeding \$300,000 will be considered on a case-by-case basis. The loan amount is based on the available equity on the property.

6. **Q. WHAT KIND OF INTEREST RATE WILL THE BORROWER BE PAYING?**

A. The interest rate is 0% for all income eligible applicants. The current income limits are based on the total number of family member in the household as follow:

INCOME-INTEREST RATE SCHEDULE

<u>Number of Members in the Household</u>	<u>0%</u>
1	\$70,500
2	80,600
3	90,650
4	100,700
5	108,800
6	116,850
7	124,900
8	132,950

7. **Q. WHAT WILL BE THE LOAN PAYMENT TERMS?**

A. The monthly payment is based on a minimum 15-year repayment term for loans of \$60,000 or less. For loans over \$60,000, the repayment term may be up to a maximum of 20 years. For certain credit qualifying borrowers, loan payments may be tailored to meet limited budgets. These qualifying borrowers will pay a reduced minimum monthly payment for the entire term of the loan.

8. **Q. WHAT ARE SOME OF THE REHABILITATION SERVICES AVAILABLE TO HOMEOWNERS?**

A. A City Rehabilitation Inspector will conduct an inspection of the property. The Inspector will prepare a checklist that will identify eligible repair work. The owner will use this checklist to obtain a proposal from a General Contractor licensed in the State of Hawaii.

9. **Q. HOW ARE LOAN FUNDS DISBURSED?**

A. Following loan settlement, funds are retained by the City and disbursed to the contractor after the work is completed to the satisfaction of the homeowner and the City's Rehabilitation Inspector. Loan funds are normally disbursed in four payments as the work is completed.

10. **Q. HOW IS THE LOAN SECURED?**

A. Loans are secured by a promissory note and a mortgage on the property. In addition, there is a required owner occupancy term of 5-years.

11. **Q. WHERE CAN A HOMEOWNER OBTAIN MORE INFORMATION?**

A. The City's Rehabilitation Loan Branch is located at 51 Merchant Street, 1st Floor, Honolulu, HI 96813 and the phone number is 768-7076. You can also visit our website at www.co.honolulu.gov/dcs/housing.htm to obtain more information and the loan application.



THE INFORMATION NETWORK
www.ACRAnet.com

MORTGAGE REPORTING • EMPLOYMENT SCREENING

521 W. Maxwell Ave • Spokane, Wa • 99201-2417
Customer Service Direct: 509 324-1249 • 1 800 304-1249
Fax 509 324-1240 • 1 800 845-7435

"National Coverage with Local Service"

TENANT SCREENING • COMMERCIAL REPORTING

INFORMATION DISCLOSURE AUTHORIZATION AND RELEASE

The undersigned parties (hereinafter referred to as "Applicant(s)") hereby authorize ACRAnet, Inc a Nevada Corporation (hereinafter referred to as "ACRAnet") to obtain a credit report and other personal information (all documents hereinafter referred to as "Consumer Report") in connection with Applicant(s) application for a mortgage loan.

Applicant(s) signature(s) below further authorize(s):

- I. the mortgage company to release a copy of Applicant(s) credit application to ACRAnet;
- II. ACRAnet to obtain information regarding Applicant(s) employment, savings accounts and outstanding credit accounts (mortgages, auto loans, personal loans, charge cards, credit union accounts, etc.) ;
- III. ACRAnet to use a photocopy, facsimile or other true reproduction of this authorization, if necessary, to obtain any information required in the course of its activities in connection herewith, any such true copy of this Information Disclosure Authorization and Release being deemed an original; and
- IV. ACRAnet to furnish a copy of Applicant(s) Consumer Report to the mortgage company that requested this authorization.

Applicant(s) hold the mortgage company and ACRAnet harmless and indemnified in furnishing the copy of the Consumer Report in accordance herewith.

Applicant's Name (Please Print) Applicant's Signature Date

PRIVACY ACT NOTICE: The information to be obtained will be used by the lender and any federal agency insuring, guaranteeing or purchasing the mortgage to determine whether Applicant(s) qualifies as a prospective borrower under the lender's and the agency's underwriting standards. The information will not be disclosed outside the lender and the federal agency without Applicant(s) consent except to the person or company verifying the information including, but not limited to, Applicant(s) employer, bank, lender and by any other credit reference as needed to verify other credit information and as permitted by law. Applicant(s) does not have to give ACRAnet this information, but if Applicant(s) does not, Applicant(s) mortgage loan application may be delayed or rejected. This information ACRAnet will obtain is authorized by the TITLE 38, U.S.C chapter 37 (if VA); and 12 U.S.C., Section 1701 et seq. (if HUD/FHA).