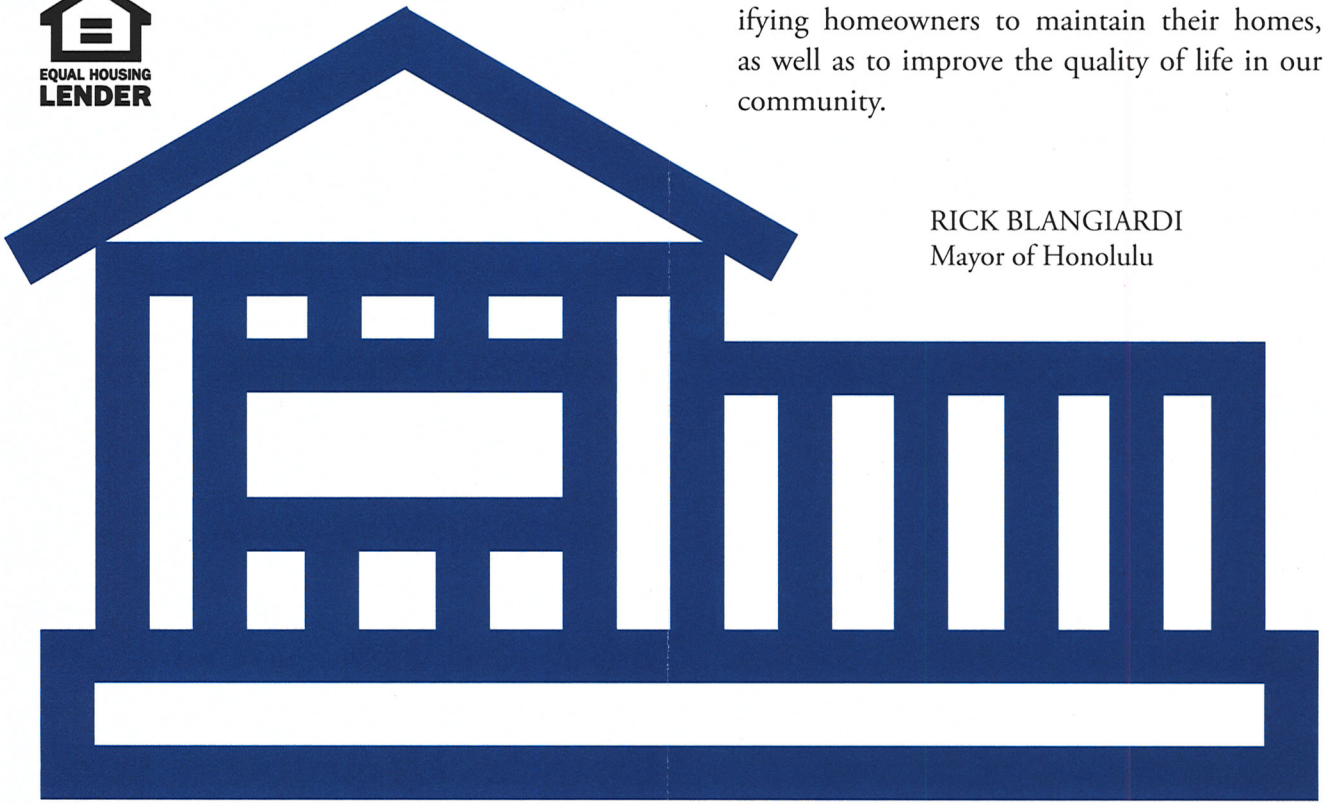
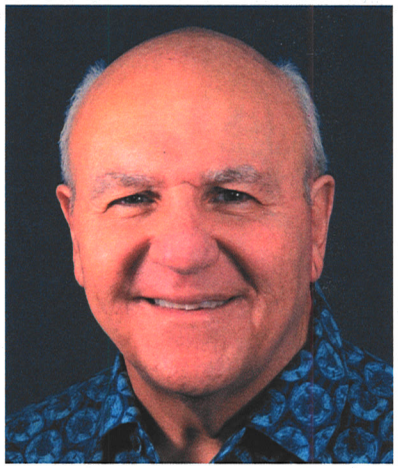
## *Thinking about fixing up your home? The City wants to help!*

Low- and moderate- income homeowners who need to repair their homes, but are reluctant due to the high cost of construction work, may qualify for the City's Rehabilitation Loan Program. This program provides zero interest loans to income-qualified homeowners enabling them to repair their homes to meet basic housing quality standards.

EQUAL HOUSING LENDER





## MAYOR'S MESSAGE

We are proud to provide another service to help meet our citizens' needs. This brochure outlines the services provided through our Rehabilitation Loan Program that enable income-qualifying homeowners to maintain their homes, as well as to improve the quality of life in our community.

RICK BLANGIARDI
Mayor of Honolulu

CITY AND COUNTY OF HONOLULU

# REHABILITATION LOAN PROGRAM FOR OWNER OCCUPANTS

Department of Community Services

# *Frequently Asked Questions (FAQs)*

## WHO MAY APPLY FOR THE CITY'S REHABILITATION LOAN?

Owner-occupant homeowners whose household incomes are within the income schedule listed. The table shows the gross annual income limits for the various house-hold sizes:

| Number of Members in household | 0% |
|---|---|
| 1 | $67,700 |
| 2 | $77,350 |
| 3 | $87,000 |
| 4 | $96,650 |
| 5 | $104,400 |
| 6 | $112,150 |
| 7 | $119,850 |
| 8 | $127,600 |
| 9 | $135,310 |
| 10 | $143,042 |

These income limits are subject to periodic revision.

## HOW MUCH MAY A HOMEOWNER BORROW?

The loan limit is $300,000; however, loan amounts over $300,000 will be considered on a case-by-case basis. Loan amount will also be subject to the available equity value in the property.

## WHAT KIND OF REPAIRS ARE ALLOWED?

The rehabilitation loan can be used to repair and correct deteriorated and hazardous property conditions such as termite damage or wood rot, roof repair, electrical rewiring, plumbing, etc. Home modifications to accommodate physically disabled household members are allowed. The installation of energy-saving systems such as solar water heating and photovoltaic systems are also allowed.

## WHAT ARE THE INTEREST RATE AND LOAN FEES?

The only loan fees are the cost of the title search, credit report, and recording fees. (Loan fees are subject to change).

## WHAT WILL BE THE MONTHLY PAYMENT?

The monthly payment will be based on a 15 or 20-year term. Lower minimum loan payments may be allowed for certain credit qualified borrowers.

## HOW IS THE LOAN SECURED?

The loan will be secured by a mortgage on the property.

## ARE THERE LOAN RESTRICTIONS?

Borrowers must certify they intend to reside as owner-occupants on the property.

## WHAT OTHER SERVICES ARE INCLUDED?

A City Inspector will provide the following services at no cost to the applicant:

- Inspect the property and note all deficiencies that need to be corrected;
- Prepare a cost estimate and provide guidance as to questions on contractors, repair work, and other construction-related matters;
- Conduct on-site inspections during and after construction to ensure the work is completed and approve payment.

## HOW DO I OBTAIN A LOAN APPLICATION?

To obtain an application, contact our office at:

City and County of Honolulu
Rehabilitation Loan Branch
51 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Or you can visit our website at:
**www.honolulu.gov/dcs/housing.html**
If you have any questions, please feel free to call 768-7076.

**Paid for by the taxpayers of the City and County of Honolulu.**
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