

# FACT SHEET

## OWNER-OCCUPIED HOUSING REPAIR LOAN PROGRAM

(Effective 12-5-2008)



### PURPOSE

This program is designed to provide financial assistance to low-income homeowners. The program covers substantial interior and exterior repairs, as needed, to meet the current building codes, as amended and adopted. In certain circumstances, reconstruction of the home is permitted. The rehabilitation and reconstruction programs include requirements for energy efficient products with ENERGY STAR® ratings, the use of recycled materials, and the use of items developed from renewable resources.

### ELIGIBILITY

1. Only properties with owner-occupied single-family homes or two units on a lot with one of the units occupied by the eligible owner.
2. Household income cannot exceed 80% of median family income, as amended from time to time. See below:

**Income Eligibility by Household Size  
(Fully-Documented Only – No Stated Income Accepted)**

<b>Household Size</b> (Number of Persons to Reside in Home)	<b>Maximum Allowable Gross Monthly Income</b> (Per Household)	<b>Maximum Allowable Gross Annual Income</b> (Per Household)
<b>1</b>	<b>\$2,970.83</b>	<b>\$35,650</b>
<b>2</b>	<b>\$3,391.67</b>	<b>\$40,700</b>
<b>3</b>	<b>\$3,816.67</b>	<b>\$45,800</b>
<b>4</b>	<b>\$4,241.67</b>	<b>\$50,900</b>
<b>5</b>	<b>\$4,579.17</b>	<b>\$54,950</b>
<b>6</b>	<b>\$4,920.83</b>	<b>\$59,050</b>
<b>7</b>	<b>\$5,258.33</b>	<b>\$63,100</b>
<b>8</b>	<b>\$5,600.00</b>	<b>\$67,200</b>

(Revised March 19, 2009)

3. In the case of two units on one lot, the owner must agree that the rental unit will be occupied by a low-income tenant at the affordable rental rate established for the local Section 8 Housing Program. The City will monitor the tenant's income level periodically – sometimes up to a period of 20 years.
4. The loan-to-value ratio must not exceed 95 percent of the total value of the property, as established by a qualified staff or certified appraiser.

5. The owner's total debt to total income ratio may not exceed 55%.
6. The property must be within the city limits of Stockton.

## **LOAN TERMS**

1. Maximum term of loan is 30 years.
2. One percent (1%) simple interest.
3. Loans are deferred for 30 years if owner remains in home; loans are due upon sale or transfer of ownership. A monthly fee may be collected to cover property taxes and insurance.
4. All loans must be secured by a Promissory Note and Deed of Trust.
5. Loans may be assumed subject to new owner's eligibility and qualifications.
6. Loans are not subordinated to future financing.
7. Taxes and insurance must be collected into an impound account either by the first mortgage holder or the City.
8. Loan cannot be combined with "reverse" mortgages or equity lines of credit.
9. Use of loan funds:
  - Hard and soft construction costs related to the mandatory correction of building and municipal code violations
  - Construction contingencies
  - Temporary relocation and moving expenses, if necessary
  - Additional repair/replacements, although not mandatory and general property improvements (not to exceed 30% of the costs of mandatory code corrections)
  - Refinancing of existing debt is limited to special hardship circumstances and requires additional evaluation

**Contact: City of Stockton – Revitalization Department**

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[www.stocktongov.com/housing](http://www.stocktongov.com/housing)

Para información en español, llame al

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