

CITY OF MORRISTOWN HOMEOWNER REHABILITATION PROGRAM

FACT SHEET

OVER VIEW

- 1. The cost to do the rehab is a forgivable loan to the Homeowner.** The total loan is **forgiven 20% each year, over a period of 5 years.** However, if the home is sold within 5 years, the balance owed must be repaid.
 - A. Property taxes and Homeowner Insurance must be paid** current during the period of the loan.
 - B. There will be a lien on the home for a period of 5 years.**
- 2. Seven Eligible homeowners will be selected** from the first round of applicants for participation.
- 3. The applicant(s) must have occupied the home for the previous 12 months and have a marketable title to the home.**
- 4. The amount and type of work that can be done on a home will be determined by the City of Morristown, however the homeowner(s) must agree with the scope of work before work is started.**
- 5. All work approved for the home will be completed by a licensed contractor, selected and approved by the City of Morristown.** The City of Morristown oversees the work and will inspect the contractor's work to ensure all work is done correctly.
- 6. There will be disruption** of the home's lifestyle during this work. The homeowner must agree to cooperate for **full access to the home during normal working hours that will be needed for the initial inspections to prepare the scope of work, the contractor's inspection for bidding the work, the construction work itself and numerous inspections by the City of Morristown's inspectors.**



APPLICATION PROCESS

1. The 1st step is to complete a **Preliminary Application** to determine if you are **Pre-Qualified** for the **Home Program**. It may take **CAC 30 to 45 days to review the Preliminary Application**. After CAC has reviewed the Preliminary Application, you will receive a phone call to discuss if you **ARE** Pre-Qualified or **NOT** Pre-Qualified to complete an application.
2. 2nd step is to start the **Application** to be **Pre-Approved** for an **Assessment** to be completed on your home. When you receive a call from CAC to discuss you have been Pre-Qualified, CAC will start the application process by gathering information from you regarding your household income, assets, and additional information required to participate in the Morristown HOME Program. Due to the pandemic, it is undetermined if a **FACE-TO-FACE** interview will be completed or the applications will be mailed. **CAC will have more information on this process at the time you receive your call.**
3. 3rd step is to turn in a **COMPLETE Application**. If a FACE-TO-FACE interview is scheduled, you will be asked to provide all **required** documentation at that time. If you are unable to provide all required documentation, you will be scheduled to return at later date to you give extra time to acquire the documentation. If a mail in application, you will be **required** to provide all documentation with the application. If all required documentation is not provided, you will be notified of the documentation needed to complete your application. It may take CAC **60 days**, to review a completed application to determine if you are **Pre-Approved** for an **Assessment**.
4. 4th step is for CAC to review the application to determine if **Pre-Approved** for an **Assessment**. After a **Complete Application** has been received by CAC, all documentation will be reviewed for eligibility. If **Pre-Approved** for an assessment, priority points will be assigned based on income, household size, age, disabled, and/or additional information. If **NOT Pre-Approved** for an assessment, you will be notified by letter.

5. 5th step is CAC to complete an **Assessment** on **Pre-Approved** applications. CAC will call to schedule an assessment. Once the Assessment has been completed, additional priority points will be assigned based on condition of the dwelling and/or additional information. After all priority points have been assigned, you will receive an **Approval** Letter or **Denial** Letter. If you receive **Approval** Letter, you are **eligible** to participate in the Morristown HOME Program. Seven eligible (7) Homeowners will be selected for participation. If you receive a **Denial** Letter, you are **in-eligible** to participate in the Morristown Home Program at this time. A **Denial** will not prevent you from applying at a later time.

EXAMPLES OF REQUIRED APPLICATION DOCUMENTATION

1. INCOME:

- a. Fixed Income from social security, retirement, pension, or additional will require a recent award letter stating the gross amount received
- b. Wages will require a Verification of Employment form provided by CAC with a minimum of 4 pay check stubs
- c. Additional income documentation will be discussed when you receive the phone call to start the application

2. ASSETS:

- a. An Asset on Deposit form provided by CAC that you will take to you bank to be completed with 2 months current bank statements
- b. Most recent quarterly statement for IRA, Keogh, 401(k), and/or similar retirement/pension funds
- c. Letter from your insurance carrier stating the Cash Value for life insurance policies that cash value
- d. Documentation regarding lump sump received or disposal of assets
- e. Additional asset documentation will be discussed when you receive the phone call to start the application

3. ADDITIONAL DOCUMENTATION:

- a. Current mortgage statement
- b. Proof of home ownership
- c. Current homeowner insurance and kept current during the loan
- d. City and County Property Taxes are paid to date and kept paid during the loan

CONSTRUCTION PROCESS

1. The City of Morristown will develop a scope of work and cost estimate for your home. This work scope will detail everything the contractor is approved to do. You will review and approve the scope of work before the project can move forward.
 - a. Program goal is to repair housing deficiencies that prohibit the unit from being code compliant.
 - b. The scope of work will be developed based on your home needs within the limitations of the program.
 - c. Possible work could include, but are not limited to:
 - i. Lead based paint remediation
 - ii. HVAC repair/replacement
 - iii. Water Heater repair/replacement
 - iv. Roofing repair/replacement
 - v. Door and Window repair/replacement
 - vi. Electrical System repair/replacement
 - vii. Accessibility modifications
2. The approved scope of work will be put out for bid. Only bids from licensed and insured contractors will be accepted. Bids will be awarded to the lowest responsible contractor.
3. Homeowner will review final work scope and cost. Homeowner will sign Contract and Loan paperwork prior to the start of construction work. It may take Six (6) Months or longer from the time you apply to the time construction begins on the home.

4. The awarded contractor will contact you to schedule work to begin on the home. You should expect to be inconvenienced by the work in progress. Approved work may be scheduled in phases over the course of several weeks. Multiple inspections will also be required by the contractor and the City of Morristown. You may need to relocate during portions of the work, but relocation assistance may be available.
5. During the course of construction work, there may be a measure from the original work scope that cannot be completed or additional necessary work may be identified. You will be notified in writing of any changes.
6. After the work is completed, it must be inspected by CAC and the City of Morristown Codes official. The homeowner must continue to make the home available for all inspection and to the contractor if any corrections are needed. You will be required to sign paperwork when the project has been completed.
7. There will be a lien on the home for a period of 5 years. The total loan is forgiven 20% each year, over a period of 5 years. However, if the home is sold within 5 years, the balance owed must be repaid.