

CITY OF MASSILLON CDBG/HOME HOUSING PROGRAMS GUIDELINE MANUAL

INTRODUCTION

The City of Massillon is committed to the revitalization of its neighborhoods. To assist in that revitalization, the City of Massillon offers the owner occupied Housing Rehabilitation and Emergency programs. These programs are designed for the rehabilitation of single-family, owner-occupied housing in the City of Massillon. These programs are funded utilizing Federal Community Development Block Grant (CDBG) and HOME funds of the U. S. Department of Housing and Urban Development (HUD) and previous loan repayments.

The Housing Rehabilitation Program Guidelines Manual is written with the intent to set forth the guidelines of the City's programs available to qualified citizens, and to be the basis for decisions, operating procedures, and policies in the day-to-day administration of the housing programs. Qualification for participation, operating procedures, and program administration policies are outlined in this text. These guidelines became effective February 11, 2013 and are now being revised January, 2020.

The guidelines state the intentions, however depending on the variables in each project we reserve the right to adjust to the specific need, required on an as needed basis.

A. GOALS AND OBJECTIVES

The Massillon City Housing Rehabilitation and Emergency programs have three (3) major goals and objectives:

1. Neighborhood Revitalization;
2. Provide decent, safe, and sanitary housing for low-to-moderate-income single-family homeowners and;
3. Strive to make properties free of major maintenance work for a period of 5-10 years after the rehab work is completed (not including appliances, with the exception of furnaces, hot water tanks, and in some cases, air conditioning).

B. ELIGIBILITY

1. The applicant must be the owner-occupant of a single-family residential property for a one-year period to applying for the Massillon Owner-Occupied Housing Rehabilitation and Emergency Programs. Persons having a life interest in a home owned by a family member (parent, child, or siblings) may also be eligible.
2. Land Contract purchasers **are not eligible** to receive assistance through the housing rehabilitation This is due to the land contract holder is not the owner of record is not allowed to sign to have a lien placed on the property. A homeowner who was purchasing their house through a recorded land contract, and paid off the land contract within the last twelve months (and is named on the deed) will still be eligible to receive assistance through the Housing Rehabilitation or grant repair program.
3. The Property must be located within the city of Massillon. If applicable, historical significance may limit the amount of housing rehab provided. If the structure is of historical significance it is noted that any

replacement to the structure has to be replaced exactly as originally built. This could possibly place the rehab out of reach due to finance availability and the extent of work that is needed to bring the Rehabilitation to minimum code standards.

4. Applicant must qualify as a low-to-moderate income person/family (those below 80% of the Area Median Income) according to the HUD's most current Stark County Median Income Guidelines. Household income will be determined in accordance with guidance as provided by HUD in the Technical Guide for Determining Income and Allowances for the HOME Program. The definition of income to determine a household's eligibility in the program is the Section 8 program definition (Part 5) of the household's annual (gross) income.
5. Applicants are not eligible to receive help through this program if they owe money to any governmental entity/agency as a collection or unpaid judgment/lien. Examples: IRS, property tax, Child Support Enforcement Agency, State tax, Government sponsored student loans, City of Massillon income tax, etc. Primary residence mortgage payment must be current. If any of the above are outstanding, proof of payment and/or arrangements would have to be submitted for additional consideration to provide assistance.
6. Any homeowner having received rehabilitation work from the City in the past is no longer eligible for any type of rehabilitation assistance. Massillon City Housing Rehabilitation and emergency assistance is each a one-time event. An applicant is eligible to receive a one-time project through the Housing Rehabilitation Program if they have first received a one-time emergency but not vice-versa. Any homeowner previously assisted with either HOME or CDBG Down Payment Assistance funds may be eligible to receive CDBG funded housing rehabilitation. Past assistance is tracked by homeowner and by property address.

C. LEVELS OF ASSISTANCE

The financial aspect of this plan is to ensure that homeowners have a personal stake in their project and the future care of their home.

1. The maximum amount of assistance for a full housing rehabilitation project is \$25,000.00. A deferred lien will be placed on the property for a full 10-year period. If lead abatement work is included, the maximum amount is \$30,000.00.
2. The emergency program is a true grant for the amount to install a furnace, hot water tank, water line, electric, if it is a major safety hazard, and wheel chair ramps. The maximum amount of assistance is \$5,500.00, or if it exceeds this limit, the inspector must approve the cost. The maximum amount of grant assistance for a roof is \$9,500.00. No lien will be placed on the property for this program.
3. The maximum amount of assistance through the Minor Repair Program cannot exceed \$15,000.00. No lien will be placed on the property for this program.

D. FINANCE PLAN – HOUSING REHABILITATION PROGRAM

1. Median Income of 0% - 80%
 - a) A 10-year lien will be recorded in the amount of assistance provided by the City of Massillon Housing Rehabilitation program for a maximum amount not to exceed \$25,000.00. While the lien is in effect the property shall not be used as collateral for any subsequent loans. The lien is due and payable upon transfer of title, sale of property, or refinance if the full 10-year term has not been completed. If the owner of record is no longer able to live in the property due to health reasons, is confined to a nursing home or has died, or other extenuating circumstances arise, the file will be forwarded to the Law Department to approve release of the lien.
 - b) Once a homeowner has received assistance through the Housing Rehabilitation Program, they will no longer be eligible for any future assistance through the Emergency Program or Minor Repair Program.
2. Additional Notes for the Housing Rehabilitation Program
 - a) Change orders will be held to a minimum. When a change order is determined to be needed, change orders of up to \$1,000.00 per project will be given a grant and not added to the deferred loan. Any amount of the change order greater (>) than \$1,000.00 will be added to the homeowner's lien or paid up front by the homeowner, with the money deposited into an escrow account.
 - b) The City of Massillon **will not subordinate** any rehab loans from any of the Housing Programs.

E. EMERGENCY PROGRAM

1. All qualified low-to-moderate-income single-family owner-occupied homeowners will be eligible for this **one-time only** emergency program.
2. A house will qualify to receive funds under this program if:
 - a. Applicant has not had rehabilitation work completed on their home through the City of Massillon Housing Rehabilitation; and
 - b. Applicant has not had the emergency program in the past; and
 - c. It has been determined that this is a true emergency and is a threat to the health and safety of the occupants.
3. The final decision of whether the emergency is a true (or not) is up to the Housing Rehabilitation Inspector (s).
4. The Emergency Program will be limited to the cost of the emergency. Change orders will be held to a minimum, and will be at the discretion of the Housing Director, and Inspectors.
5. Only emergency replacement or repairs will be performed at this time of need. If additional non-emergency work needs to be undertaken, the applicant will be referred to the Housing Rehabilitation Program.
6. Repair will be contingent on the fact that the emergency presented itself within the last 90 days and poses a possible threat to the safety and welfare of occupant/homeowner.

F. CODE VIOLATIONS

When code violations have been determined by the City of Massillon Building Department, all eligible low-to-moderate-income homeowners will be given priority over the waiting list.

1. This assistance will be provided only to the homeowners who are physically unable to address these items on their own, such as: elderly and persons deemed disabled/receiving disability assistance. No federal monies will be provided to the homeowner if they are physically capable of completing the items on their own.

G. WALK-AWAY POLICY

For any property that cannot be brought up to Residential Rehabilitation Standards (RRS) for approximately, \$25,000.00. The property will be determined to be ineligible for housing rehabilitation assistance. However, if code violations have been determined by the City of Massillon Building Department, only those items will be considered based on homeowner eligibility as stated in the guideline.

H. APPLICATION/PROCESSING PROCEDURES

The lien package will include application, application verifications, credit report, the search, after-rehab appraisals, and cost estimate. Applicants will be examined for approval based upon underwriting criteria set out below (Section F). These projects will be funded by the City of Massillon Housing Rehabilitation CDBG and HOME Funds. Applicants will be required to have homeowners' insurance prior to receiving a Massillon City Housing Rehabilitation project and must continue to carry homeowners' insurance for as long as a lien is in effect by the City of Massillon.

I. UNDERWRITING CRITERIA

1. Valuation – An after-rehab appraisal will be completed by an independent appraiser for all properties receiving an Owner-Occupied Housing Rehabilitation project in the City of Massillon. This will ensure the property does not appraise for more than the FHA mortgage Limits List for a single family residence in Stark County Ohio.

J. INCOME/NET FAMILY ASSETS

Household income and assets will be determined in accordance with guidance from the HUD document Technical Guide for Determining Income and Allowances for the HOME Program.

K. CREDIT HISTORY

1. Applicants must be current or on an approved payment plan with their mortgage payments and not be delinquent with a government entity (example: property taxes, City, State or Federal taxes, student loans, Child Support, etc.) If an applicant is on an approved payment plan or payment arrangement, they must submit proper documentation that they are current based on the plan. Bankruptcies must be discharged, before we can consider assisting. Failure to disclose financial information will be cause to deny rehabilitation funding.
2. Applicants will be required to adhere to deadlines provided by all Housing Programs. The Housing staff will provide deadlines in all communications with the applicants. If the applicant chooses not to adhere to these deadlines, their file may be canceled. This is necessary in order to keep the Housing programs functioning and processing as many clients as possible. It ensures that all applicants receive equal treatment.

L. PROGRAM APPROVAL

Approval for the Owner-Occupied Housing Programs will be based on the above referenced underwriting criteria.

M. REPAYMENT OF 5 AND 10 YEAR LIENS

Payoffs will be made to the City of Massillon. Payment can be made in person or by mail to Municipal Government Annex, Attention: Housing Department, 151 Lincoln Way East, Massillon, OH 44646. No cash payments will be accepted by the City. Liens are due and payable upon transfer of title, sale of property, or refinance, if the full 5-year or 10-year terms have not been completed. If the owner of record is no longer able to live in the property due to health reasons, confined to a nursing home, or death, the file will be forwarded to the Law Department to approve release of the lien. These liens will not be subordinated for any reason.

N. DETERMINATION OF WORK AND CONTRACTING

The City of Massillon Housing Department is under contract with the Stark County Regional Planning Commission (SCRPC) for the inspections of the Housing programs. The Housing Inspectors will determine the work that is needed and a work write-up will be faxed to this office once it is completed.

O. CONTRACT SIGNING

Contracts will require the signature of the City of Massillon Housing Director, the Community Development Director, or the Community Development and Housing Administrative Assistant.

1. Before the contract signing with the homeowner, a pre-construction meeting with the homeowner, contractor, and SCRPC Housing Rehabilitation Inspector will be completed with the intention of having all parties understand the exact details of the work to be performed, and have any misunderstandings cleared up.
2. Contract documents shall be signed by all parties and approved by the City of Massillon Housing Department.
3. The Massillon Housing staff will not allow any contract who is currently past their due date, without an approved time extension, on any other City of Massillon Housing Rehabilitation project to enter into a new contract.
4. No contractor will be allowed to enter into any more than three (3) Full Housing Rehabilitation projects at one time. Addition contract(s) may be allowed, about the three (3) at the discretion of the Massillon Housing staff based upon time length and cost of all the contracts
5. No contractor will be awarded a Housing Rehabilitation contract for any member of their immediate family. This includes, but is not limited to: parents, children, siblings, in-laws, grandparents, or any other person(s) that have stood in the place of parents.

P. HOUSING REHABILITATION AND HAP GRANT PROJECT CLOSINGS

For projects with the 5 and 10 year liens made under this program, the following procedures will be followed:

1. The Massillon Housing staff will prepare the following documents for the execution of the deferred lien:
 - a. Closing Statement – revealing the total assistance, lien amount, interest rate, and any other requirements deemed necessary to comply with the “Truth-In-Lending-Act” of the Consumer Protection act
 - b. Deferred promissory note
 - c. Deferred mortgage lien
 - d. Right of Rescission
 - e. Notice to proceed to contractor
2. All closing documents will be explained to the homeowner at the time of closing. The following will be maintained in the Housing Rehabilitation official file:
 - a. Title Examination Report, Location Survey, Credit Report, After-Rehab Appraisal
 - b. Copy of Declaration Page of the Homeowners Insurance w/City of Massillon listed as lien holder mortgagee
 - c. Closing Statement
 - d. Recorded Deferred Mortgage Lien
 - e. Deferred Promissory Note
 - f. Right of Rescission
3. The Housing Department Staff will have the Mortgage lien recorded with the Stark County Recorder’s office.

Q. SPECIFICATIONS FOR REHABILITATION CONSTRUCTION

This book was written by the Stark County Regional Planning Commission Housing Rehabilitation Department.

1. The SCRPC Housing Rehabilitation Inspector (s) shall determine the work necessary to be undertaken on each house and prepare a work write-up. Priority of work to be undertaken is as follows: (1) Health & Safety. (2) Code Violations. (3) Energy Conservation, (4) Incipient Violations, and (5) General Property Improvements. This priority will provide the same framework for evaluating each potential housing rehab case. Cosmetic upgrades which will be paid for by the homeowner with the funds deposited into an escrow account, will only be allowed up to ten percent (10%) of the total project cost and only after all items in #1-4 above are addressed.
2. The homeowner may be required to clean up their property (indoor and/or outdoor) of clutter prior to contract signing as determined by the SCRPC Housing Rehabilitation Inspector(s).
3. The Massillon Housing staff with the SCRPC Housing Rehabilitation Inspector will conduct a pre-bid meeting at the applicant’s home, in the Massillon Housing Office or by phone with the applicant, if a home meeting cannot be arranged. This will enable the homeowner to be informed of the intended work to be undertaken.
4. The work write-up will be sent out for bid using a list of pre-approved Housing Rehabilitation contractors. Between three to five (3-5) contractors will be asked to bid on a housing rehabilitation project.
5. Contractors selected to bid on a project will be selected at random by the Housing staff or by the homeowner who may select contractors from the approved housing rehabilitation contractors’ list.

6. The contractor's bid shall include the following items which must be submitted, properly executed, in order for a proposal to be deemed acceptable.
 - a. Prime-bidder's non-collusion affidavit (notarized)
 - b. Bid summary

INSPECTIONS

1. The contractor is required to obtain all necessary permits from the City of Massillon Building Department before commencing any work on the project. These permits must be prominently displayed at the work site. Failure to obtain all necessary permits will result in the Massillon Housing Department issuing a "Stop Work" order. Failure of the contractor to register with the City of Massillon Income Tax Department will also result in the issuance of a "Stop Work" order and removal from the approved contractors list.
2. The Massillon Housing staff or SCRPC Housing Rehabilitation Inspectors will make periodic inspections to ensure that work is being undertaken in accordance with the work write-up and to approve progress payments.
3. A SCRPC Housing Rehabilitation Inspector will inspect the house on the contract due date to determine what has (and what has not) been completed. This inspection may or may not be the final inspection for the contracted work. The contractor will be paid for those items completed. If any contract items are not completed by this due date, liquidated damages will be assessed at \$25.00 per calendar day until all contract items are completed. A contractor will not be allowed to remove himself from a job that is overdue, if he does, he may be removed from the approved contract's list.
4. Final inspections will be made prior to final payment being approved. A final payment will not be approved until all work is completed in accordance with the work write-up and any subsequent approved change orders. Final inspection shall be held at a time convenient to allow the homeowner, contractor, and the rehabilitation inspector to be present.
5. Prior to the Massillon Housing staff processing final payment, the contractor will be required to provide all necessary lien releases, permits and a lead clearance report for the project. 100% retain-age will be held until all final paperwork is received and approved. If any of this paperwork is found to be a forgery, the contractor will be immediately removed from the approved contractors listing and criminal charges may be filed.
6. **It is the contractor's responsibility to request and schedule the post-rehab lead inspection.**

R. PAYMENT OF INVOICES

1. The SCRPC Housing Rehabilitation Inspector(s) shall inspect the work completed to date. Payment will be based only on the completed work. At the discretion of the Housing Department, a percentage of the progress payments may be held as a retainage; the amount, if any, will be on a case-by-case basis as determined by the Housing Director.

2. The total retain-age will be paid to the contractor with their final payment, once the Lead Inspection has passed inspection and a completion has been provided by the Regional Inspector and at the discretion
3. Lien waivers must be signed by all subcontractors and suppliers prior to final payment. Prior to any payment, copies of the appropriate permits required for the contract must be filed with the Massillon Housing staff.

S. CHANGE ORDERS

1. No substitutions, additions, or deletions from the original contract even if no change in contract amount results from the change, may be made by the contractor or homeowner through prior written change order for such needed changes.
2. Change orders will be held to a minimum by the Massillon Housing Staff. They will only be given when deemed necessary for proper project completion by the SCRPC Housing Rehabilitation Inspector(s).
3. Change Orders for time, as requested by the contractors, will only be granted after determined to be necessary by the SCRPC Housing Rehabilitation Inspectors. Staff will only allow reasonable time extensions for outdoor work when weather conditions have been unfavorable and after all indoor work has been completed (unless the indoor is contingent on the outdoor work).
4. The Massillon Housing staff will prepare all necessary change orders for signatures.
5. All change orders must be signed by the contractor, homeowner and the Housing Director or the Administrative Assistant to be valid.

T. GRIEVANCE PROCEDURES

A dispute arising between an applicant and/or contractor and /or the rehabilitation staff is to be handled in the following manner:

1. The Massillon staff shall refer complaints to the Massillon Housing Director in all cases in which agreement cannot be reached by the SCRPC Housing Rehabilitation Inspector(s). The Housing Director will contact the applicant and/or contractor to discuss the complaint. After discussing the complaint, the Housing Director shall notify the applicant and/or contractor in writing of the determination.
2. If the complainant is not satisfied with the determination, a meeting will be arranged to discuss the complaint with the applicant and/or contractor and the Housing Director.
3. If the complainant still feels that his/her complaint has not been satisfactorily resolved, the decision may be discussed by the Housing Director with the **MAYOR OF THE CITY OF MASSILLON**, if necessary. The **Mayor** has the final authority in all matters relative to the use of CDBG/HOME funds and, if necessary, will make the final ruling on any complaint that cannot be resolved prior to this level.

U. HOME BUYER ASSISTANCE (HAP) RELATED REHAB - Refer to appendix "A" – The City of Massillon Homebuyers Assistance Program (HAP) Guidelines. Funding of this program refer to Massillon City Residential Rehabilitation Standards (RRS) section.

APPENDIX A

CITY OF MASSILLON **HOMEBUYER ASSISTANCE PROGRAM**

INTRODUCTION

The City of Massillon **Homebuyers Assistance Program (HAP)** was designed to assist first-time homebuyers realize the dream of homeownership by providing down payment assistance and/or closing costs to qualified low to moderate income (LMI) households. The HAP program is funded by the US Department of Housing and Urban Development (HUD), utilizing HOME funds.

The City of Massillon administers the HOME program to assist eligible individuals/families purchase homes located within the City of Massillon.

A. GENERAL GUIDELINES

1. Assistance will be provided one-time only per qualified household toward the down payment and/or closing costs for the purchase of a home or a newly constructed project home.
2. Once it has been established that the applicant is within the current LMI guidelines and is eligible to apply for the HAP program an application will be taken. The City of Massillon will verify the applicant's eligibility with required verification forms and other necessary documentation as required by HOME regulations, using Section 8, Part 4 guideline. A credit report will also be obtained at this time to determine if the applicant has any past due payments owed to any government entity.
3. Once eligibility has been determined, the applicant will be notified by letter and the Applicant will have one hundred and twenty (120) days to contact a lender, obtain pre-approved and submit a purchase contract for an eligible property. If the applicant does not meet the one hundred and twenty (120) day requirement, they may reapply for the program.
4. The purchase price of the property cannot exceed the current FHA single-family mortgage limits for the Stark County area. The combination of the bank loan, plus the HAP loan, cannot equal more than 100% of the appraised value of the house being purchased.
5. The "Contract to Purchase" must include a statement indicating that the sale is contingent upon the approval of the City of Massillon Homebuyer Assistance Program, which includes the capability of the house to be brought up to code.
6. The house being purchased through the HAP must be a site-built single-family dwelling located within the City of Massillon. Multi-family and manufactured homes, as well as, condominiums are not eligible for the program.
7. The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) only applies if projects are funded with federal money other than American Dream Down Payment Initiative (ADDI) funds. Only properties available for sale on the open market are eligible properties. Single family homes with a tenant are not eligible, except if the tenant is the applicant for HAP program.

8. Once a purchase agreement has been signed, the house must undergo an inspection by one of the SCRPC Housing Rehab Inspectors to ensure that the property meets the Residential Rehabilitation Standards (RRS). Properties not meeting this requirement or those that cannot be brought up to this standard for the maximum dollar amount available to the applicant for addressing RRS issues (see Section G, #1 – Housing Rehabilitation), will be ineligible for purchase through this program unless the property being purchased includes a “203K loan,” which addresses needed housing repair work, in conjunction with a Federal Housing Authority (FHA) loan; in such case the financial institution will provide the City of Massillon with a work write-up which includes, at a minimum, the RRS items to be addressed. The City of Massillon must then be given the opportunity to inspect all RRS items, once completed, to determine if they have been satisfactorily completed. A lead paint hazard visual inspection will be done on all homes built prior to 1978 and any peeling paint will be addressed and included in the work write-up.
9. Qualified applicants below the 50% area median income may receive up to 7% of the house purchase price and qualified applicants between 51-80% area median income (AMI) may receive up to 6% of the house purchase price in HAP funds. The assistance is a 0% interest deferred loan with no monthly payments required and, if all requirements are met, the loan will be forgiven after five years starting from the first of the following month from the date of the deed. The full amount of the HAP loan is due and payable when the homeowner sells or refinances the property, or if the home is no longer the owner’s principal place of residence. In all cases, the minimum amount of HAP funding cannot be less than \$1,000.00 and the maximum amount cannot exceed \$10,000.00.
10. The homebuyer must provide either \$500.00 or 1% of the purchase price of the house as their contribution towards the purchase of the house. This cash contribution can be applied towards the down payment or closing costs.
11. The City of Massillon will request the HAP funds on behalf of the homebuyer once all criteria has been met, required documentation has been received, and the house has passed the RRS inspection or has been accepted into the City’s Housing Rehabilitation program. The HAP funds will be in the form of a check made payable to the Title Company handling the closing. Absolutely **no cash out** to the homebuyer at closing will be permitted. The City of Massillon may require up to ten (10) days to obtain the HAP check. This check will then be given to either the homebuyer or the Title Company on the day of closing. The City of Massillon will prepare the necessary loan documents for the HAP funds and schedule the closing in conjunction with the first mortgage lender or separately. The HAP deferred mortgage will be recorded at the Stark County Recorder’s Office by the City of Massillon, once the financial institution providing the mortgage financing has recorded their mortgage.
12. During the required affordability period of five (5) years from the date of project completion, the City of Massillon will mail a Certification of Residency annually to the homeowner via certified return receipt mail. The homeowner will be required to complete this certification and return it to the City of Massillon within thirty (30) days of receipt. Failure to comply with this requirement will result in the City of Massillon funding the homeowner in default of their contract and the loan will be due and payable immediately; if necessary, legal action may be taken by the City of Massillon to recoup the HAP funds with the possibility of foreclosure on the home.

B. ELIGIBILITY

1. All prospective applicants must be a first-time homebuyer. First-time homebuyers are those Individuals and their spouse who have not owned a home during the three-year period prior to purchase of a home under the HAP program would be eligible to apply. First-time homebuyer also includes a displaced homemaker or single parent. A displaced homemaker is an adult, who has worked primarily without remuneration to care for the home and family and, for that reason, has diminished marketable skills, and is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children in their custody.
2. Prospective homebuyer must qualify as low to moderate income as determined by current Section 8, Part 5 income guidelines. In no case will a family/individual be assisted if their income exceeds 80% of AMI.
3. Prospective homebuyer must occupy the purchased property as their principal residence for the required affordability period of five (5) years.

C. HOMEBUYER EDUCATION

All prospective homebuyers are required to take the credit counseling course provided by Apprisen. The session will provide information regarding the home buying process such as obtaining mortgages, what to look for in a home, understanding credit, etc. There is no cost to the homebuyer for the counseling sessions. A coupon listing a code will be provided to the homebuyer to use in the process of accessing the course. A certificate will be provided upon completion of the counseling session.

D. MORTGAGE LOANS

HAP funding can be used with conventional loan products and approved Community Homebuyer products. Community Homebuyer products are affordable programs through Lending Institutions and checking through the BBB on their credibility; will provide information that will allow you to choose wisely. For buyers who receive sub-prime loans, the interest rate cannot exceed 3% of market rate for conventional 30-year fixed, and total closing cost cannot exceed 5% of loan amount. Loans that involve broker's fees that exceed 1% of the mortgage amount and loans with more than 1% origination fee are not eligible.

E. FINANCIAL INSTITUTION

1. The Lender will obtain a copy of the prospective homebuyer's credit report, take a mortgage loan application, and pre-qualify them for a mortgage loan.
2. Once a lender has been established, a contact person will be determined and a checklist will be faxed to them requesting copies, as completed, of the following loan documents: Purchase Agreement, Property Appraisal, Mortgage Loan Commitment, Good Faith Estimate, Truth-in-Lending Disclosure Statement, Preliminary HUD Settlement Statement, and Final Closing Disclosure Statement. Both the preliminary and final Closing Disclosure Statements must indicate the HAP contribution being provided by City of Massillon, as well as, owner contribution.

F. **SUBORDINATIONS**

The City of Massillon will not subordinate the HAP loan to a new loan. If the borrower wished to refinance their existing first mortgage, repayment of the full amount of HAP funds is required at the time of new loan closing.

G. **HOUSING REHABILITATION**

1. For all properties that do not meet RRS, the qualified applicant will be eligible to receive a housing rehabilitation loan not to exceed \$5,000.00 to bring the property up to RRS (see Section A-General Guidelines). This will be in the form of a 0% deferred loan with no monthly payments required and the loan will be forgiven after five years starting from the first of the following month from the date of the deed if all requirements have been fulfilled.
2. Persons who have purchased a home, in the city of Massillon, **but not utilizing the Home Buyers Program**, may qualify for rehab assistance and may apply for a full housing rehab loan of up to \$25,000.00 through the City of Massillon Housing Rehabilitation 10 year deferred loan program. The criteria: having owned and occupied the home for a period of not less than one year, and provided they still meet the eligibility requirements as stated in the Housing Rehabilitation Program guidelines. Please note: (Application freeze may exist depending on how many are on the waiting list).