



**PURPOSE**

Through funds received from the U.S. Department of Housing and Urban Development (HUD), the City of Gastonia administers the Housing Rehabilitation Program. The program provides grant and loan assistance for housing repairs that pose a risk to health and safety.

**ELIGIBLE REPAIRS**

Housing Rehabilitation is not limited in its scope to operating systems however, operating systems are given priority consideration before other requested repairs. Remodeling or cosmetic work are *ineligible*.

OPERATING SYSTEMS FOR REPAIR:

- ❖ Handicap Accessibility modifications (ex: access ramp, shower/tub modifications. Grab bars, etc.,)
- ❖ Roof
- ❖ Electrical
- ❖ Plumbing
- ❖ Heating, Ventilation and Air Conditioning (HVAC)
- ❖ Floor

OTHER REPAIRS CONSIDERED

- ❖ Windows and doors are only considered in extreme cases and as evaluated by the Construction Specialist.

**PROPERTY ELIGIBILITY**

Properties must meet the following requirements to be considered for program eligibility:

- ❖ The home must be located within the city limits of Gastonia
- ❖ The home must be in need of repairs that pose a threat to the family’s health and safety
- ❖ The home must be the principal residence for the property owner
- ❖ The total household income must not exceed maximum qualifying income (see *Income* below).

**HOUSEHOLD INCOME ELIGIBILITY**

To determine applicant eligibility, each household member must provide income. The total household income is calculated by adding the gross income of all household members.

<b>2021</b>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Grant 50%	\$29,500	\$33,700	\$37,900	\$42,100	\$45,500	\$48,850	\$52,250	\$55,600
Loan 80%	\$47,150	\$53,900	\$60,650	\$67,350	\$72,750	\$78,150	\$83,550	\$88,950

**\* Income is effective 6/1/2021 for FY 7/1/2021 to 6/30/2022**

**ASSISTANCE TYPE: GRANT OR LOAN**

<b>GRANT ELIGIBILITY TERMS AND REQUIREMENTS</b>		
Eligible Household/Terms	Household Income:	0-50%
	Grant Qualification:	Based upon income
	Payment Terms:	No required monthly payments (exception: default)
GRANT ASSISTANCE	Amount:	<u>\$7,500 and below</u>
	Security:	No Lien Required
	Interest Rate:	0%
GRANT ASSISTANCE	Amount:	<u>\$7,501 to \$25,000 (maximum)</u>
	Security:	10-year lien, satisfied a 1/10 <sup>th</sup> per year



	Repayment Required	Prior to the satisfaction of the 10-year period, if the primary resident no longer lives in the property, or the property is sold, the remaining balance becomes due and payable to the City of Gastonia.
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**LOAN ELIGIBILITY TERMS AND REQUIREMENTS**

Eligible Households/Terms	Household Income:	51-80%
	Loan Qualification:	Based upon income and ability to pay
	Payment Terms:	All loans must be set up auto-debit from a checking or savings account
	Credit review:	Required for all loans
LOAN ASSISTANCE	Amount:	<u>\$7,500 and below</u>
	Interest Rate:	3%
	Loan Term:	60 months (maximum)
	Security:	No lien required
	LOAN ASSISTANCE	Amount:
	Interest Rate:	1%
	Loan Term:	15 years (maximum)
	Security:	15-year lien

**OTHER CONDITIONS**

APPLICATION REVIEW	Each application is reviewed on a case by case basis. The City of Gastonia retains the right to approve or deny any application if it does not meet the terms and conditions of the rehabilitation policy or the regulations and guidance of the U.S. Department of Housing and Urban Development (HUD).
ASSETS	Household assets are limited to \$20,000.
BANKRUPTCY	Properties that are part of an active bankruptcy are ineligible for program assistance.
DEFAULT	In instances of default, the City of Gastonia reserves the right to call loan notes due immediately. Terms of default include non-payment, refinancing or selling the property.
ELIGIBILITY	The property and all applicant household members must meet all conditions to be deemed eligible for assistance.
HOMEOWNERS INSURANCE	A current, active homeowners policy is required.
HOMES BUILT PRIOR TO 1978	Each home built before 1978 will be tested for Lead-Based Paint (LBP). If the House tests positive for LBP, the contractor will use interim controls to address the issue.



HOME – TAX VALUE LIMIT	The current property tax value cannot exceed the housing rehabilitation value as established by HUD for Gaston County (NC); and repair costs cannot exceed 75% of the home’s current tax value.
HOUSING REHABILITATION PROPERTY STANDARDS	All repairs will be made by the standards as set by the North Carolina Minimum Housing Code.
MORTGAGE LIEN VERIFICATION	As part of the credit review and analysis, existing mortgages, liens, encumbrances and outstanding balances related to the property will be verified to in determine program eligibility.
PRIORITY APPLICATIONS	Priority is given to disabled home owners, larger families and persons 62 and older.
PRIOR ASSISTANCE	Applicants with an outstanding grant, loan or lien issued by the City of Gastonia are not eligible for assistance until the instrument is satisfied and released.
PROPERTY TAXES	Property taxes must be current or an established payment plan in place. The agreement must be in writing, and a copy provided to the City of Gastonia. The arrangement must show a minimum of two payments received.
SPECIAL FLOOD HAZARD AREAS	The property cannot be located within an active Special Flood Hazard Area (SFHA)/