

HOMEOWNER

This program because of the very low interest rate and the technical assistance, is ideal for the homeowner interested in completing a small repair or taking on a total renovation.

1. Application & Loan Process

- The Cleveland Action to Support Housing loan application can be completed by appointment with one of our staff, sent to you in the mail, we can take your application over the telephone and the application can be completed on-line. Once you have completed the application and the following documentation and/or information is received, we can send the application to our partnership banks for review:
 - a. A copy of the cover sheet of your most recent homeowner's insurance policy;
 - b. Copies of your last two years of Federal tax returns and W/2s, plus copies of two of your most recent pay stubs;
 - c. The name, address, and loan number of your first mortgage holder and the same information would be needed for any other lien holders;
 - d. If you receive social security, pensions, or child support, copies of checks, direct deposit letters or other forms of verification will be needed;
 - e. If you have been cited for housing code violations, a copy of the violation report would be helpful;
 - f. If you have lived in your home less than two years, the address of your previous home will be needed;
 - g. The name and address of your present employer and, if you are employed less than two years, the name and address of your previous employer;
 - h. The names of creditors, the balances owed, and the monthly payments are needed;
 - i. The cash value of stocks, bonds, life insurance, automobiles, retirement funds, furniture, and all other personal property;
 - j. The name of the bank or credit union where you have savings and/or checking accounts;
- We will send your application and the documentation to our partner banks. The loan package will be reviewed by the banks and within 24 to 48 hours we will have a decision. As soon as we have the bank's decision we will contact you.
- If your loan is denied, we will refer you to Cleveland Housing Network for credit counseling and the development of a plan to improve your credit.
- When your loan is approved, the bank will schedule an appointment with you to sign all of the documents required for the loan. As soon as the bank documents are signed and the loan is filed, it is possible that the monthly payments will begin before the contractor begins work. The funds needed to pay for the repairs on your property are sent to Cleveland Action to Support Housing. We are responsible for the paying the contractor based upon your approval of the work.

2. Fees for Services

We must with all applications obtain credit reports. The fees for the credit reports are modest. A title or appraisal report may be required by the bank financing your project. An origination fee is charged on the balance of the loan, so on a single family the fee is 1% and for two or more units the fee is 2%. All service and the origination fees are financed in the loan.

3. Specifications, Cost Estimates & Obtaining Bids from Contractors

Soon after your application is taken, a Cleveland Action to Support Housing Construction Specialist will contact you for an appointment. The purpose of the appointment is to talk with you about the work you want to have completed. While at your property, it is our job to ensure there are not severe health and safety violations which are not scheduled for repair. At all times, it is our policy to include the repairs you want to have made and, if necessary, include repairs to protect the health and safety of the occupants of the home. Based on this visit to your property, the Construction Specialist will develop specifications for the work to be completed and cost estimates.

4. Contractor Criteria

All contractors must be licensed to work in the City of Cleveland. Additionally, contractors must be bonded and provide proof of liability insurance and workman's compensation insurance.

5. Seeking Contractor Bids

As the homeowner, you will receive three copies of the specifications. Each contractor, bidding on the project, should receive a copy of the specifications. The contractor will fill in the price for each of the specifications. The contractor should return the bid to you. If contractors delay in returning bids, the construction process will be slow. Contracts prepared by the contractor should not be signed. When you have chosen your contractor or contractors, please notify the Construction Specialist of your decision. You may not wish to bid the project and choose one contractor. This is acceptable as long as the contractor understands that they must comply with our qualification policy and bid according to the prepared specifications and cost estimates.

If you are interested, you can request the Cleveland Action to Support Housing General Specifications and you can also review the City of Cleveland Building Code at <http://caselaw.com/clevelandcodes/>

6. Contracts

With the funds safely deposited with Cleveland Action to Support Housing, we will prepare the contracts for the work to be completed. The Construction Specialist has reviewed the contractor's bids. It is our job to ensure you are receiving work which meets or exceeds our quality standards and that you are being charged a fair price. Prior to the contracts being signed, the credentials of

the contractor are verified. Permits are also requested from the City. The contracts are between our organization and your contractor or contractors. **Contracts will not be prepared unless the owner, the Construction Specialist, and the contractor agree and understand a set of specifications and cost estimates.** All of the contracts must be reviewed and signed by you, the contractor and the Executive Director of Cleveland Action to Support Housing. All four (4) copies of the contract, as well as, the Pre-Construction Report must be signed. The Cleveland Action to Support Housing Construction Specialist is the witness to the contractor's signature. When the contracts are signed a proceed order is issued to the contractor to begin work. Work cannot begin prior to the contractor receiving the proceed order. Along with the contracts are three copies of the Escrow Agreement, which will also have to be signed.

7. Payments to Contractors

Cleveland Action to Support Housing is the escrow agent for the bank and the owner of the property and is therefore responsible for the disbursement of funds on the project. The Construction Specialist may use discretionary judgment to determine the eligibility of a contractor for a partial payment. The total amount of funds available per draw will be based on the percentage of work completed, as determined by the Construction Specialist. All payments must be approved by you, the homeowner.

- The contractor is to call the Construction Specialist at least 48 hours prior to requesting the final payment. The 48 hours is necessary for the Construction Specialist to schedule an inspection of the work with the homeowner.
- Partial payments will be granted according to job size and dictated by seasonal weather. A 10% retainer will be held, when disbursing funds on a partial payment and only released when the "Certification of Completion is signed by the homeowner.
- Each time a partial payment is requested, the contractor is to present the following documentation:
 - a. An invoice for the amount due;
 - b. Lien waivers may also be required as a condition for the payment.
 - c. Copies of all work related permits;
 - d. Rough or final verification by the City of Cleveland on the work completed on the mechanicals.
- Beside the inspection with the homeowner, the contractor is to present the following documentation for the final payment.
 - a. An invoice for the amount due;
 - b. A copy of every permit secured on the job;
 - c. An affidavit stating all labor and materials have been paid for in full;
 - d. Lien waivers may also be required as a condition of payment.
 - e. If not previously requested, signed verification of the mechanical final by all City of Cleveland inspectors involved in the project;

- With the homeowner's approval on the "Certificate of Completion" and receipt of all documentation, as listed above, payments will be processed within 5 working days.

8. When your project is completed, we will ask you to complete a short customer satisfaction survey for our records.