

**REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
HOME REPAIR PROGRAM**

FREQUENTLY ASKED QUESTIONS (FAQs)

1. **WHAT IS A HOME REPAIR LOAN AND WHAT ARE THE TERMS?**

It is a deferred loan from the Redevelopment Authority of Lancaster County funded by HUD through the Housing and Community Development Act of 1974 to rehabilitate owner-occupied homes. The interest rate is 0% and you do not have to make monthly payments. Funds are returned to the Redevelopment Authority at the time of sale, transfer of the property or refinancing for other than a lower interest rate or lesser term.

2. **HOW DO I QUALIFY FOR A LOAN?**

Property owners must meet the eligibility requirements based on family size and income. Owners must occupy their residence year round and must own the property in fee simple title, (the deed must be in their name). The maximum value of a home cannot exceed \$291,270.00.

3. **HOW MUCH MAY I BORROW?**

A Home Repair Loan may be for the amount needed to rehabilitate the property, up to a maximum of \$24,999.00. Additionally, the cost for required rehabilitation items shall be at least \$1,000.00.

4. **WHAT OTHER RESTRICTIONS OR PROGRAM REQUIREMENTS APPLY?**

Owners must carry homeowner's insurance on their property and have all real estate taxes paid current. An owner's liquid assets cannot exceed \$35,000 (unless over age 62) and properties must be located in Lancaster County, but outside of Lancaster City limits. The program also requires that owners must meet the minimum home equity amount based on the amount of rehabilitation needed. Mobile homes and manufactured housing are eligible only if the applicant is the owner of record of the property where the home is located.

5. **WILL A LIEN OR MORTGAGE BE PLACED ON MY PROPERTY?**

A mortgage will be secured against the subject property.

6. **WHO DECIDES WHAT WORK IS NEEDED?**

The Redevelopment Authority Rehabilitation staff will survey your property and advise you on the work required to meet program standards. Homeowner's input is welcomed on this inspection. The Technical Services Representative will assist you in obtaining bids from reliable, insured, and licensed contractors and will award the contract to the lowest responsible bidder. The bid accepted must also be within 15% of the Technical Services Representative's cost estimate for the project. Homeowners are given the choice of which contractors can bid on their renovations and repairs.

7. **WHAT KIND OF REPAIRS OR WORK CAN I HAVE DONE?**

Financing will be provided for the cost of addressing hazardous situations within major systems in the home. The total cost of rehabilitation shall not exceed \$24,999.00. A grant of up to \$15,000 is also available to address lead based paint abatement and historic preservation issues. This grant is only available in conjunction with the Home Repair Program loan.

8. **WHAT IF THE FUNDS ARE NOT ENOUGH TO BRING MY HOME UP TO THESE STANDARDS?**

A determination will be made that the property's equity justifies the rehabilitation within the allotted loan maximum limits.

9. **WHEN IS A CONTRACT SIGNED WITH A HOME REPAIR CONTRACTOR?**

Only after your Application and Rehabilitation Loan has been approved by the Redevelopment Authority Staff.

10. **WHO INSPECTS THE WORK?**

The Redevelopment Authority staff and the homeowner will see that the work is done in a proper and workmanlike manner. Homeowners approve the work write-up and are given this write-up and the contract to follow the repairs on a daily basis.

11. **HOW DO I APPLY FOR A REHABILITATION LOAN?**

One can apply by calling the Loan Administrator at (717) 394-0793 Ext. 226. An appointment will be set up for you to determine your eligibility, assist you in filling out the application and explain the program to you in more detail.

12. **HOW AND WHEN IS THE CONTRACTOR PAID?**

The contractor will be paid in draws according to the contract signed. He is paid for the work that has been satisfactorily completed by checks prepared by the Redevelopment Authority. The contractor will not be paid until you, the owner, are satisfied and until the Technical Services Representative certifies the work has been done according to the contract and work write-up.

13. **MAY LANDLORDS APPLY FOR THIS LOAN?**

Mixed-use properties are not eligible for assistance. Investor-owners may apply for Rental Rehabilitation Program funds also through the Redevelopment Authority.

14. **CAN I PAY ON THIS HOME REPAIR LOAN AT ANYTIME WITHOUT PENALTY?**

Yes, the loan can be paid off sooner, but the deferred loan is intended to be repaid when the property is sold or ownership is transferred.

15. **HOW LONG DOES THE REHABILITATION PROCESS TAKE?**

The amount of time depends on several things: 1.) Your ability to provide eligibility items for our office, such as proof of income, deed, insurance, taxes; and, 2.) The amount of work that is necessary to address the hazardous situations; and, 3.) Other circumstances, such as our office's work load or the weather. The rehabilitation work, however, must begin within twenty days (20) of the construction contract signing and must be completed within ninety (90) days of the contract signing.