

HERITAGE HOME PROGRAM
A program of the Heritage Home Educational Society



LOAN SUBSIDY APPLICATION
Form 1

Applicant Information (please print)

Lending Institution Information

| | |
|------------------------------|--|
| Name | |
| Address | |
| City/State/Zip | |
| Home Phone | |
| Business Phone | |
| Cell Phone | |
| Address of subject property: | |
| E-mail | |

| | |
|-----------------|----------------|
| Name | KeyBank |
| Branch | |
| Address | |
| Phone | |
| Fax | |
| Primary Contact | |

Permanent parcel number of subject property: _____
(e.g. 001-00-100; can be found on a tax bill)

Number of housing units contained in subject property: _____
(e.g. single family, duplex, four-suite, etc.)

Total annual household income: \$_____

Estimated cost of proposed improvements: \$_____

For banker's use only below this line:

Amount of Approved loan: \$_____ Escrow: Yes No

Approved bank loan interest rate not including subsidy: _____% **Banker's Initials:** _____

Approved bank loan interest rate with subsidy: _____%

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LOAN SUBSIDY APPLICATION

Form 1 continued

Have you received a loan subsidy in from this program in the past? Yes () No ()
If yes, when? Date ____/____/____

Have you reviewed and signed the “Loan Subsidy Pre-Screening
Checklist” (Form #2)? A copy must be attached to this application. Yes () No ()

Applicant Name(s): _____

Signature(s): _____
Date

Signature(s): _____
Date

Send complete application to the Heritage Home Program office:
Fax: 216-426-1975
Email: hhp@heritagehomeprogram.org
Mail: 3751 Prospect Avenue, Cleveland, Ohio 44115

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LOAN SUBSIDY PRE-SCREENING CHECKLIST

Form 2

The Linked Deposit Low-Interest Rehabilitation Loan Program is designed to benefit owners of one, two & three family dwellings within participating municipalities. Through this program, KeyBank will provide low-interest rate loans to eligible borrowers who qualify for certain housing rehabilitation loans. The program is quite flexible, however, it does have limitations. The following checklist is designed to screen-out proposed projects that are likely to be ineligible for the program. If you believe your application deserves additional consideration, please contact the Heritage Home Program office at (216) 426-3116.

| | Yes | No | N/A |
|--|-----|----|-----|
| 1. Are property taxes current for the parcel in question? | | | |
| 2. Do you understand that the proposed rehabilitation cannot include luxury items, such as swimming pools, stables, satellite dishes, hot tubs; or items such as vinyl windows, or vinyl siding? | | | |
| 3. Is the requested loan less than \$4,000? | | | |
| 4. Does the applicant meet the Ohio Housing Finance Agency (OHFA) income guidelines for targeted and non-targeted areas? | | | |
| 5. Do you understand that the requested loan cannot be used to finance any of the following: New construction (i.e. new dwelling?) | | | |
| Bridge loan? | | | |
| Refinance existing loans? | | | |
| 6. Do you understand the Heritage Home Program of the Cleveland Restoration Society will qualify your property and work with you to develop written exterior specifications for your rehabilitation project that must be followed? | | | |
| 7. Do you understand that both the Heritage Home Program and your municipality have the responsibility for monitoring the rehabilitation work and that the proper permits must be secured? | | | |
| | | | |
| | | | |

Representations and Promises: Under penalty of law, the applicant(s) identified below has (have) accurately and truthfully answered the questions as listed above and on the attached application checklist, and has made application to KeyBank for the sole purpose of making property improvements under the Linked Deposit Program as provided for in the Ohio Revised Code. The individual(s) listed below promises (promise), that funds borrowed from KeyBank will be used for no other purpose than the home improvements described herein. **Furthermore, it is fully understood that any use of the borrowed funds, for any purpose other than the purposes permitted under the specifications and guidelines set forth for the program constitutes an act of fraud.** The undersigned promises to comply with all monitoring efforts required by the Heritage Home Program, the Heritage Home Educational Society and the property's municipality. Failure to do so in a timely manner may affect continued participation in the program and thereby result in the interest rate on your loan increasing by KeyBank's predetermined market rate per annum.

Applicant Name(s): _____ Date: _____

Signature(s): _____

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DETAILED DESCRIPTION OF PLANNED REHABILITATION
Form 3

Name of Borrower (please print): _____

Project Address (please print): _____

Please provide a detailed description of the proposed work you plan for your property. Note any areas of the rehabilitation that will correct any outstanding building/housing code violations, as they must be satisfied prior to remaining improvements:

How long will it take to complete the proposed rehabilitation?

Exterior: _____

Interior: _____

Are there plans for landscaping, driveway or addition in the project scope? Please describe if different from above:

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TERMS AND CONDITIONS

Form 4

Dear Prospective Borrower:

After you have signed the papers for your loan, your city and the Heritage Home Program have the responsibility to monitor the work on your home. You, as part of the Heritage Home Program, are required to do the following:

FOR ALL WORK REQUIRING PERMITS

Some of the items listed on Form #3, the Detailed Description of Planned Rehabilitation, may require a permit. The type work that requires a permit can differ from city to city.

It is the borrower's responsibility to check with your municipality to verify what work requires permits. As the borrower, you will be responsible for providing a copy of all required permits to the Heritage Home Program prior to final project inspection and certification.

Contact the building department, if you are doing the work, or have your contractor contact the building department within one month of your loan's closing date to secure the proper permits and to determine if any zoning, building code or other approvals are required. You have eighteen months from the time your loan is signed to complete the work. **Please check with your municipality to verify what work requires a permit.**

Failure to provide copies of required permits to the Heritage Home Program may jeopardize the interest rate on your loan.

FOR NON-PERMIT WORK

The Heritage Home Program is responsible for monitoring all non-permit work funded through a Heritage Home Program Loan and certifying that all completed exterior work meets preservation standards as described in the Secretary of the Interior's *Standards for Rehabilitation*.

ALL WORK, PERMIT AND NON-PERMIT

Homeowners may be required to complete and submit project updates to the Heritage Home Program to track the progress of your rehabilitation project. At the completion of the project, homeowners must submit a Project Completion Form (Form 5) with all appropriate signatures to the Heritage Home Program. The Heritage Home Program will then inspect the completed work to check for compliance to the original project scope and/or adherence to the *Standards* for exterior work. Work not in compliance must be corrected and brought into compliance. If any Report Forms are not returned to the Heritage Home Program (HHP) by the dates indicated, if the Project Completion Form is not signed by all parties and returned to the HHP, or completed work is not certified by the HHP as meeting the original project scope and/or the *Standards* for exterior work, your loan subsidy (the reduction of the bank's normal interest rate) is subject to removal. It is your responsibility to ensure the HHP is kept up-to-date on the status of your work. The municipality, County, and the HHP reserve the right to request receipts to verify the cost of improvements.

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Form 4 (*continued*)

THE CONTRACTOR

For your protection, your contractor should be licensed, registered and/or bonded by your municipality. Your city may provide a list of currently registered contractors, or simply have your contractor register with the municipality. The agreement with your contractor is a private one and not the responsibility of KeyBank, the County, your municipality or the Heritage Home Program.¹

ADDITIONAL TERMS AND CONDITIONS OF THE HERITAGE HOME PROGRAM:

- During the eighteen (18) month term that a homeowner is under contract with the Heritage Home Program, no changes or alterations are allowed to be made to any significant architectural features of the subject property without review and approval by Heritage Home Program Staff.
- Installation of vinyl replacement windows or vinyl siding are specifically prohibited during the entire eighteen month construction term of the loan. If these changes are made, the low-interest subsidy will be terminated. This will be enforced whether these changes are made with loan proceeds or any other type of funding.
- City violations and health and safety concerns must be addressed prior to starting any cosmetic improvements and renovations.
- Property taxes must be current.
- Loan documents must be signed, closed, and funds dispersed before any work begins or any payments made to contractors. Work started or paid for before the loan is signed and closed cannot be financed with Heritage Home Program Loan funds.
- Homeowners and contractors must follow the Master Specifications provided by Heritage Home Program Staff for exterior projects. Failure to do so may result in the termination of low-interest rate subsidy. As the borrower, you are responsible for your contractor's adherence to the exterior specifications prepared for your project by the Heritage Home Program.
- Master Specifications are not written for interior projects.
- Contractors are responsible for pulling all required permits for all work; however, homeowners are responsible for ensuring that permits have been pulled.
- Technical Assistance and Escrow Fees may apply. Please refer to the information packet for current rates.

¹ *The Better Business Bureau, (www.BBB.org) 216-241-7678, Federal Trade Commission, (www.consumer.gov) 202-FTC-Help, and the State Attorney General's office, 1-800-282-0515 all have information on contractor selection and home improvement tips. We encourage you to obtain their free information.

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TERMS AND CONDITIONS

Form 4 (*continued*)

- In all Heritage cities, except for Cleveland Heights, every homeowner participating in the loan program will be asked to display a Heritage Home Program sign in their front yard to advertise the program and the city's sponsorship of the program. Signs will be displayed for the duration of the construction projects and for up to two weeks following the completion of the projects. Signs will be posted in a visible location and follow city code requirements. Heritage Home Program Staff will be responsible for the posting and retrieval of the signs.
- The Heritage Home ProgramSM's below market interest rate is subsidized by capital provided by the Cuyahoga County Treasurer, the Ohio Housing Finance Agency, and the Treasurer of the State of Ohio. The free Technical Advice provided to homeowners is funded by payments and grants from many cities, villages, foundations, historical societies, and City of Cleveland Councilpersons. The Heritage Home Program is supported in many ways by other non-profit organizations including Libraries, Community Development Corporations and historical societies. The Heritage Home Program reports to these organizations and seeks out additional sources of capital, funding and support. In these efforts, the borrower understands that the Heritage Home ProgramSM provides to such current and potential sources of capital, funding and support details as to the Technical Assistance and Loans provided under the Program.

The undersigned has reviewed this application in full, understands the terms and conditions, responsibilities and agrees to the Program Terms and Conditions outlined in Form 4.

Borrower's Signature

Date

Borrower's Signature

Date

Send complete application to the Heritage Home Program office:

Fax: 216-426-1975

Email: hhp@heritagehomeprogram.org

Mail: 3751 Prospect Avenue, Cleveland, Ohio 44115