

HERITAGE HOME PROGRAM

A program of the Heritage Home Educational Society



LOAN SUBSIDY APPLICATION

Form 1

Applicant Information (please print)

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

Lending Institution Information

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, two family, three family)

Occupancy Type: Owner Tenant Vacant

Total annual household income: \$ _____

Estimated cost of proposed improvements: \$ _____

*The Heritage Home Program Loan can only fund up to \$150,000. Any costs above will require other financing.

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? If yes, when? Date: _____

Yes

No

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 with estimates for your project(s) to the Heritage Home Program office:

Fax: 216-426-1975

Email: hhp@heritagehomeprogram.org

Mail to: 3751 Prospect Avenue, Cleveland, Ohio 44115

Contractor Estimates Must Include:

- **Contractor Name, Address, Phone Number, and W9 Tax Forms**
- **Overall Square Footage of the Work**
- **Product Names or General Specs for all components of the Work**
- **Building plans or photographs as needed to show extent of the Work.**
- **Total cost (labor and materials) to perform the Work.**

Revisions to estimates may be required before approval

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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. Is the requested loan less than \$4,000?			
3. Do you understand that the proposed rehabilitation cannot include luxury items, such as swimming pools, stables, satellite dishes, hot tubs; or items such as fencing, vinyl windows, or vinyl siding?			
4. Does the applicant meet the Ohio Housing Finance Agency (OHFA) income guidelines for targeted and non-targeted areas? Meeting or not meeting the OHFA income guidelines does not impact your application status. Targeted/non targeted areas can be found by searching here: https://myohiohome.org/geodata . Contact HHP for more information.			
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 agree that if the Heritage Home Loan does not fully cover the cost of the contractor bids, the difference will be deposited by the homeowner in the Cleveland Restoration Society escrow account before work commences?			
8. 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?			
9. Property Eligibility Questions:			
Is your property over 50 years old?			
Is this your primary residence?			
Will this property be your primary residence once the rehabilitation is completed?			
Is the property currently inhabitable?			
Is your home currently valued at more than \$550,000?			

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): _____

List the proposed work you are planning for your property below. You also need to provide estimates from the contractors you have bid the work with attached to the application (see Form 1 for details). Scope of work must match estimates. Only once the estimates are received will you be considered fully applied. 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 and Interior Scope must be detailed by the homeowner, "see attached" not an approved statement.

Exterior: _____

Interior: _____

Did you hire an architect or designer to prepare your application and would you like reimbursement as part of your loan:

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AGREEMENT BETWEEN OWNER AND CLEVELAND RESTORATION SOCIETY

(Form 4)

This Agreement (the "Agreement") is made by and between the Cleveland Restoration Society, located at 3751 Prospect Avenue, Cleveland, Ohio 44115 ("CRS") and _____ (the "Owner"), with respect to real property and improvements located at, _____ (the "Property").

1. Role of CRS: CRS shall provide, as a consultant to Owner, Heritage Home Program Administration Services in connection with the historic preservation and improvement of the Property within the scope of the project identified on DETAILED DESCRIPTION OF PLANNED REHABILITATION (Form 3) of the Heritage Program Loan Application (hereinafter known as the "Work"). CRS's duties shall be limited to the following services, provided upon request by Owner:

- a. Reviewing the scope of the Work for general compliance with CRS Minimum Design Standards (hereinafter known as "CRS Standards"). CRS Standards may be found at www.heritagehomeprogram.org or a printed copy will be made available.
- b. Reviewing architectural specifications and drawings as prepared by others for contract bidding and construction of the Work for general compliance with CRS Standards.
- c. Assisting Owner in obtaining estimates for the Work solely by sharing the names of potential Contractors from the CRS database.
- d. Assisting Owner in monitoring the progress and performance of the Work done by the Contractor(s). The following limitations apply to any CRS monitoring of the Work:
 - 1) CRS does NOT provide full home inspections or permit inspections and may recommend further inspection of the Work by the local building code official.
 - 2) CRS review of the Work consists only of a visual assessment and is limited to visibly evident conditions existing at the time of the review. Concealed or latent defects and deficiencies may exist.
 - 3) Identification or evaluation of potentially hazardous materials, including but not limited to radon gas, asbestos, lead paint, mold, or chemicals, is NOT included in CRS review of the Work.
 - 4) Any verbal or written reports or advice provided by CRS do NOT constitute or imply any guarantee or warranty of the adequacy, performance, or condition of any portion of the Work or the Property.
- e. Escrow Administration: CRS shall hold funds in escrow in a non-interest-bearing account and make payments against completed projects when approved by Owner. Owner acknowledges that CRS may commingle the funds with other escrow funds held by CRS pursuant to the Heritage Home Program. See ESCROW AGREEMENT for terms and conditions of Escrow Administration by CRS.
- f. HHP Loan Approval: CRS shall assist the Owner in completing the loan application as needed. Owner shall apply to the HHP Participating Bank ("Lender") of the Owner's choosing. Loans are approved at the sole discretion of the Lender according to its normal consumer lending underwriting guidelines, including, but not limited to, reviewing the proposed scope of Work, the creditworthiness of the Owner, and appraising the Property. CRS is NOT liable for the approval or rejection of any loan application or any losses related to loan approval.

2. Role of OWNER: Owner shall be solely responsible under this Agreement for selection of Contractor(s) and all aspects of the Work, including, without limitation, all design and structural requirements, the selection and use of all materials, and compliance with all applicable codes, laws, and regulations. Additional terms and conditions are as follows:

- a. Property Requirements:
 - 1) Property must qualify for the Heritage Home Program.

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- 2) Local code violations and health and safety concerns must be addressed prior to starting any cosmetic improvements and renovations.
 - 3) There may be no more than one (1) active lien on the property.
 - 4) Lender may require that property taxes be current.
- b. Project Design and Scope of Work:
- 1) All exterior Work at the Property shall comply with CRS Standards. Failure to comply may result in the termination of the county subsidized low interest rate on the Heritage Home Program Loan (see ESCROW AGREEMENT for details).
 - 2) Owner is solely responsible for adherence to CRS Standards.
 - 3) Owner is solely responsible for obtaining professional design services from a qualified architect, interior designer, or engineer as needed to successfully design the Work. Contractors may provide project design services to the extent permitted by the local building codes.
 - 4) CRS Standards do not constitute or replace professional design services or building code requirements for any portion of the Work.
- c. Contractor Selection and Agreements:
- 1) CRS recommends that Owner obtain the services of a qualified Contractor(s) to perform the Work.
 - 2) In the event the Owner elects to self-perform the Work or a portion of the Work, CRS reserves the right to request additional documentation of Owner's qualifications to perform the Work. If the Owner is deemed unqualified to perform the Work in accordance with industry standards and local building codes by CRS, CRS reserves the right to require Owner to obtain the services of a qualified Contractor(s) or to terminate this Agreement (see ESCROW AGREEMENT for termination details).
 - 3) If the Owner self-performs the Work or a portion of the Work, they shall maintain the insurance coverages required by CRS's STANDARD CONSTRUCTION CONTRACT and comply with all other requirements for Contractor's Liability Insurance. The Owner shall, upon request, submit a copy of their insurance policy, limits of coverage, and additional named insured to CRS for review. CRS reserves the right to terminate this Agreement if adequate insurance coverage is not provided (see ESCROW AGREEMENT for termination details).
 - 4) For the Owner's protection, Contractor(s) should be licensed, registered, and bonded by the municipality in which the Work is performed (the "Municipality").
 - 5) The Municipality may provide a list of currently registered contractors, or Owner may require the selected Contractor(s) to register with the Municipality.
 - 6) The agreement between the Owner and Contractor(s) is a private one and not the responsibility of the Lender, the Municipality, or CRS.
 - 7) 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. Owner is encouraged to obtain their free information.
- d. Contract Documents:
- 1) Owner shall provide a copy of their signed agreement with Contractor and any other relevant Contract Documents to CRS, including the signed ESCROW AGREEMENT, prior to commencing the Work.
 - 2) Owner and Contractor shall agree to CRS standard construction contract terms and conditions (see CRS STANDARD CONSTRUCTION CONTRACT).

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- 3) Owner shall verify that the scope of the Work submitted with their loan application (Form 3) matches the scope of the other Contract Documents, including Contractor(s) estimates. All discrepancies must be resolved prior to loan approval.
 - 4) CRS will not issue a PROCEED ORDER or release funds from escrow until all documents are signed and submitted.
 - 5) Failure to submit Contract Documents to CRS may result in termination of the county subsidized low interest rate on the Heritage Home Program Loan (see ESCOW AGREEMENT for details).
- e. Project Management:
- 1) CRS does NOT provide full project management services as part of our Heritage Home Program Administration Services.
 - 2) Project management services throughout construction, including but not limited to scheduling, procurement, meetings, sample approvals, inspections, subcontractor coordination, and subcontractor payments, shall remain the responsibility of the Owner or their Contractor(s).
 - 3) CRS strongly recommends that the Owner obtain the services of a licensed and registered General Contractor to manage complicated projects involving multiple subcontractors.
- f. Permits:
- 1) It is the Owner's responsibility to provide a copy of all required permits to CRS prior to Work commencing.
 - i. Owner must, prior to beginning the Work, contact the governing Municipality to secure the proper permits and to determine if any zoning, building code, or other approvals are required. If Owner is working with a Contractor, the Contractor may contact the Municipality on the Owner's behalf.
 - 2) Failure to provide copies of required permits to CRS may result in termination of the low-interest rate loan (see ESCROW AGREEMENT for details).
- g. Project Schedule:
- 1) CRS loan documents and ESCROW AGREEMENT must be signed, closed, and funds dispersed before any Work begins or any payments are made to Contractors.
 - 2) Work started or paid for before the loan is signed and closed cannot be financed or reimbursed with Heritage Home Program funds without prior approval from CRS.
 - i. For any Work started or materials ordered prior to loan approval and closing, Owner assumes all financial risk for these outlays in the event the loan is not ultimately approved.
 - ii. Owner shall sign AGREEMENT FOR STARTING PROJECT CONSTRUCTION PRIOR TO HERITAGE HOME PROGRAM LOAN APPROVAL AND CLOSING (Form 6) prior to starting Work or ordering materials ahead of loan approval and closing.
 - 3) **OWNER shall complete the Work within eighteen months from the time the PROCEED ORDER is issued, unless otherwise approved by CRS.** In the event that the rehabilitation project is not completed and all funds are not disbursed within eighteen (18) months, CRS reserves the right to send the balance of funds back to the Lender to be credited toward the principal owed on the loan. CRS will notify Owner in writing prior to funds being transferred.
 - 4) CRS reserves the right to request that Owner complete and submit project updates to CRS to track the progress of the Work.
 - 5) At the completion of the project, Owner shall submit a PROJECT COMPLETION FORM (Form 5) with all appropriate signatures to CRS. Failure to do so may result in the final payment being withheld until the form is completed.

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h. Payments:

- 1) Owner shall review and forward all payment requests to CRS for processing per the ESCROW AGREEMENT within five (5) business days of receipt from the Contractor(s).
- 2) See the ESCROW AGREEMENT for all conditions of payment.
- 3) CRS reserves the right to request receipts to verify the cost of improvements.

i. Additional Heritage Home Program Restrictions:

- 1) During the eighteen (18) month term that Owner is under contract with CRS, no changes or alterations shall be made to any significant architectural features of the Property without review and approval by CRS.
- 2) Installation of vinyl replacement windows or vinyl siding are specifically prohibited during the entire eighteen (18) month construction term of the loan.
- 3) If any unapproved changes are made, the county subsidized low interest rate for the Heritage Home Program Loan may be terminated (see ESCROW AGREEMENT for details). This may be enforced whether these changes are made with loan proceeds or any other type of funding.

3. Heritage Home Program Administration Services Fee: Owner agrees to pay CRS a Heritage Home Program Administration Services Fee (the "Fee"), of **zero to two percent (0-2%)** of the final approved loan amount (Fee schedule based upon the loan amount), payable upon loan closing. Fee details are outlined in the Heritage Home Program Loan Application materials.

4. Other Program Fees: Owner agrees to pay bank fees and escrow fees associated with the Heritage Home Program Loan. Fee details are outlined in the Heritage Home Program information packet and the CRS ESCROW AGREEMENT.

5. Disclosure Notice: The Heritage Home Program'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. CRS reports to these organizations and seeks out additional sources of capital, funding and support. **In these efforts, the Owner understands that CRS provides to such current and potential sources of capital funding and support details regarding Heritage Home Program Administration Services and Loans provided under the Program.**

6. Waiver of Liability: CRS is providing Heritage Home Program Administration Services to Owner only. CRS' obligations shall be limited to those expressly set forth in this Agreement. CRS HEREBY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE MINIMUM DESIGN STANDARDS PREPARED BY CRS OR THE WORK UNDERTAKEN IN CONNECTION WITH SUCH MINIMUM DESIGN STANDARDS, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTY OF HABITABILITY OR FITNESS FOR PARTICULAR PURPOSE. Owner shall rely solely on any selected contractor(s) for any and all representations or warranties related to the Work. Owner acknowledges that (a) CRS is not a home construction service supplier, (b) this Agreement is not a home construction service contract, and (c) the Heritage Home Program Administrative Services are not home construction services as defined in Section 4722.01 of the Ohio Revised Code.

7. Arbitration Clause: Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association in accordance with its Real Estate Industry Arbitration Rules, and judgment upon the award rendered by the arbitrator may be entered in the Cuyahoga County Court of Common Pleas or any municipal court having jurisdiction thereof.

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8. Authority to Execute: Owner and CRS represent and warrant that they have the full power, authority, and capacity, free of any rights of any nature whatsoever by any other person, to enter into this Agreement and to take all actions required by this Agreement.

The undersigned acknowledge that this document constitutes a binding and enforceable agreement among them and that they have carefully read and examined the terms and conditions before affixing their signatures.

IN WITNESS WHEREOF, CRS and OWNER have executed this Agreement as of the _____ day of _____ (month), _____ (year).

ACCEPTANCE BY CRS

Signature: _____

Print Name: _____

Its: Heritage Home Program Associate

ACCEPTANCE BY OWNER

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

See DETAILED DESCRIPTION OF PLANNED REHABILITATION (Form 3) of the Heritage Home Program Loan Application, including any attachments, for full scope of Work.

Send complete application with estimates for your project(s) to the Heritage Home Program office:

Fax: 216-426-1975

Email: hhp@heritagehomeprogram.org

Mail to: 3751 Prospect Avenue, Cleveland, Ohio 44115

Estimates Must Include:

- **Contractor Name, Address, Phone Number, and W9 Tax Forms**
- **Overall Square Footage of the Work**
- **Product Names or General Specs for all components of the Work**
- **Total cost (labor and materials) to perform the Work.**

Revisions to estimates may be required before approval