

APPLICANT REQUIREMENTS

To be eligible for Housing Rehabilitation assistance, an applicant must be an individual or family that owns a single-family, residential structure located within Bay County, Michigan (outside the City of Bay City) and meets these other requirements:

1. Home Occupancy

An applicant must be a permanent, year round, resident and must have lived in the subject property for a period of not less than six (6) months and intends to remain an occupant of the house. The house must be the principal residence. Structures which are less than twenty (20) years old will not be rehabilitated except for energy efficiency, health and safety, handicapped accessibility or declared disaster.

2. Income and Assets

An applicant's household income must not exceed the limits established by MSHDA.

Families must have gross annual incomes of 80% or less of the AMI.

Applicants who have a total household income of 60% or less of the County's annual median income (AMI) will be eligible to receive 100 percent of the CDBG assistance as a deferred loan at 0% interest, to be paid back at the time of sale, new mortgage, or transfer of the property.

Households with income between 60% and 69% of the AMI must contribute 10% of the project costs.

Households with income between 70% and 80% of the AMI must contribute 20% of the project costs.

The household may finance a part of the project costs using non-HOME or CDBG resources. Contributions received either from the Homeowner or other sources must be applied to the associated project and noted on the purchase order.

3. Mortgage/Land Contract Payments

An applicant's mortgage or land contract payments, including taxes, insurance and/or escrows must be paid current. All land contract agreements must be recorded. If the applicant is purchasing a home on a land contract, the land contract holder must provide written permission, by signing the Land Sales Contract Subordination Agreement, to homeowner and the Bay County Housing Rehabilitation Division.

4. Conflict of Interest

The program will comply with MSHDA Policy Bulletin #8, *Conflict of Interest Regulations*. The following persons are **not** eligible to benefit from CDBG funds; elected county officials, board of review members, employees directly involved in administering the program and immediate family members of those already identified here.

5. Property

The following types of homes can be rehabbed: conventional stick-built construction, modular, and manufactured homes. In order to be eligible, manufactured homes must be:

- a. On a permanent foundation,
- b. Taxed as real property, and
- c. Not subject to a mortgage or severance agreement that treats the unit as personal property.

Bay County in conjunction with the TPA and the local building inspector is responsible for determining what is to be considered a permanent foundation. This determination is final.

