



GRAND TRAVERSE COUNTY HOME REHABILITATION PROGRAM

Grand Traverse County has been awarded funding from the Michigan State Housing Development Authority to administer an affordable home repair loan program. The Grand Traverse County Land Bank Authority (LBA) oversees the program.

Borrowers must be homeowners that are principal residents in single family homes within Grand Traverse County and their household gross annual incomes must be at or below 80% of the Area Median Income. (As an example, a family of two would be eligible if the combined income is less than \$40,150.)

All joint owners of a property must agree to sign a future advance mortgage for the program; owners and their spouses that are living in the household must sign the note.

Borrowers must have some equity in their homes; they cannot be "under water". Ideally, borrowers have enough equity to sustain the program loans; any exceptions will be determined by the LBA. Equity is determined by multiplying 2.2 x the State Equalized Value (SEV) minus all outstanding liens against the property.

Borrowers must own their homes debt-free or be purchasing them with mortgages or recorded Land Contracts. If there is a Land Contract, the holder of the contract must also sign off on the loan.

Owners of manufactured homes must have title to the land that their home is permanently affixed to; they cannot be in a housing park. Furthermore, manufactured homes must have been built since 1995.

Depending upon the household income, borrowers may have to make small, low interest installment payments for part of the money with the bulk of the loan at 0% interest with deferred payment until the owners no longer reside in the home or in 50 years. If the household income is below 60% of the Area Median Income, the loan will be 0% interest and there will be no monthly payments. The balance is due when the owners no longer reside in the home or in 50 years.

Borrowers must be current with their mortgages, property taxes and property insurance before closing on a program loan.

The loan amount is determined by the cost of work that is necessary to improve the property to, at minimum, meet federal HUD Quality Standards (HQS) including lead based paint hazard reduction. The minimum loan is \$1,000; the maximum project cost is \$40,000 including inspections and administrative costs. The program may be used in partnership with other agency's programs.

The work must entail items that make the property safer, more livable, or increase energy efficiency. This is a repair program, not a remodeling program.

Typical repairs include:

Plumbing, heating or electrical systems
Roofing, windows, and doors
Ramps and bathroom accessibility conversions

Siding, porches, steps
Wall repairs, floor covering, paint
Stoves, refrigerators, and preparation space

Homeowners are not allowed to act as the general contractor or to perform the repair work. The Housing Coordinator facilitates the bidding, the construction management, and the payments. The process generally takes several months.

If you have questions about this program or would like to apply, please call Virginia (Ginny) Coulter at (231) 922-4675 or write to the Housing Coordinator, 400 Boardman Ave., Traverse City, MI 49684 or e-mail vcoulter@grandtraverse.org. TDD 922-4412



Equal Housing Opportunity

