



Rehabilitation Application and Program Guidelines

2024



No qualified person shall be denied the benefits of the participation in or be subjected to discrimination under any program or activity funded by the City of Pasco based on race, color, national origin, sex, religion, disability, or familial status.

Program Description

The City of Pasco has designed rehabilitation loan program to help low to moderate-income property owners with rehabilitation of their property (emergency, minor rehab, funds are available from the City on a first come, first-eligible basis.

To participate in the City of Pasco Rehabilitation program, the applicant and property must meet all qualifications, guidelines, rules, and regulations as set forth in the application and the rehabilitation underwriting guidelines to be eligible to participate in this program. The **City of Pasco** reserves the right to refuse applicant(s) based upon failure to meet any or all program guidelines.

Loan Terms

The assistance is in the form of a 0% interest deferred loan, secured with a Promissory Note and Deed of Trust, recorded in second position. Under certain circumstances loans may be forgiven, or grants provided.

- ***Repayment will occur upon sale, refinance, transfer, default, non-compliance with the loan agreement Period of Affordability and Occupancy requirements. Sale or transfer includes actual or attempted sale by contract, assignment, lease, rental, or other conveyance of the property to a person other than the borrower(s), whether by gift or value. Sale or transfer also includes any further voluntary or involuntary encumbrance of the property by the borrower, except an encumbrance by a government agency in the form of an assessment for streets, sidewalks, lighting, or sewer, so long as the borrower pays such assessments when due. A surviving borrower, upon the death of another co-borrower, can assume the loan.***

Program Criteria

- The applicant must meet all qualifications of the program and will be responsible for all costs above and beyond the amount of the rehabilitation assistance financing.
- The program is open to U.S. Citizens and Permanent Resident Aliens. Evidence of legal residency may be obtained from the Bureau of Citizenship Immigration Services (BCIS).
- The project must maintain program property and occupancy standards.
- The project must meet national objectives at the time of service for primary benefit of low-moderate income households/people equal to or less than 80% of the median income established by HUD for the Kennewick/Pasco/Richland MSA and adjusted annually. **All persons residing in a household are included in household size, regardless of age or relationship to the borrower.**

Property Qualification

- Borrower must have Fee Simple Title.
- The property must be a single-family residential dwelling, (1-unit) or Condominium. A manufactured home must be on a permanent foundation, must be located on land owned by the manufactured homeowner and must be connected to permanent utility hook-ups.
- During the period the property is offered for sale and at the time of sale, the dwelling must be vacant, occupied by the buyer, or occupied by the seller. In no case shall a tenant be displaced by the sale. This must be confirmed in writing by the seller of the property prior to receipt of the rehabilitation assistance.
- The property must be located within City limits.
- The City reserves the right to disqualify a property that will not meet minimum standards.

Property Standards

The Department of Housing and Urban Development (HUD) regulations set forth basic Housing Quality Standards (HQS), which all homes must meet before federal assistance can be provided. **THE HQS INSPECTION DOES NOT SUBSTITUTE FOR A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.** The HQS Inspection includes the following, but is not limited to:

All Rooms:

- No Lead-Based Paint hazard (i.e., peeling, chipping, flaking or chalking paint on the inside or outside of the home nor on any detached structures).
- No mold.
- No holes or cracks (of any size) that result in drafts, severe buckling, or deterioration in walls, ceilings, or floors.
- No broken windows.
- All windows must have locks if they are below 6' from the ground or can in some way be reached from the outside of the home.
- All electrical outlets must have faceplates.
- No broken, frayed, or exposed wiring.
- No roaches or mice; and
- Space heaters must be vented or have manufacturers label affixed to the heater.

Living Room, Bedrooms (must have):

- At least one window that opens, basement bedroom windows must be to code: and
- At least one (1) light and one (1) electrical outlet or two (2) electrical outlets.

Kitchen (must have):

- At least one (1) permanent light fixture, one (1) electrical outlet and enough room and space to prepare food.
- Sink with hot and cold running water (separate from the bathroom sink).

Bathroom (must have):

- A window that opens or a working ventilation unit.
- One (1) permanent light fixture.
- A working flushable toilet.
- Tub or shower unit with hot and cold running water; and
- Sink with hot and cold running water (separate from the kitchen sink).

Miscellaneous (must have):

- Smoke detectors in each bedroom and each hallway.
- Roof and foundation that does not leak.
- Handrails if the porch is over 30" high or has four (4) or more steps to enter the home.
- Approvable water and sewer services.
- Plumbing that does not leak.
- Water heater with downward pipe on the pressure relief valve, at least 3" to 6" from the floor.
- Water heater must be enclosed if it is in a living area of the home; and
- At least two (2) exits from the home in case of fire and a private entrance.

Procedure

1. **COMPLETE the application prior to making an appointment with the City's Program Coordinator.** Call the appropriate City for an appointment to begin the review of your eligibility and to ensure availability of funds. The Consortium requires co-applicants/spouses to be named on Rehabilitation documents; therefore, all applicants **and** their spouse/partner (even if they will not be named on the first mortgage) must meet with City staff to verify eligibility.
2. City staff will inspect the property to minimum Housing Quality Standards.
3. Upon meeting or failure to meet program criteria, including applicant and property requirements, a letter of denial or preliminary approval will be mailed to the applicant and lender.
4. Homeowner approves the work write-up and gets bids.
5. City staff reviews bids with homeowner and qualifies the selected contractor.
6. City staff prepares contract documents for signature of the homeowner and contractor.
7. City staff acts as construction advisor and facilitates the
8. Upon approval, the borrower will provide a copy of the preliminary title report, appraisal, and an insurance binder listing the appropriate City as a loss payee prior to release of CDBG funds.

Upon final approval, loan closing documents and the rehabilitation check will be released to the closing agent. Rehabilitation funds will not be released until a certificate of completion is presented to the Program Coordinator.

For more information or Requests for Accommodations:

Accommodations will be provided, to the maximum extent feasible, to meet the needs of non-English speaking, deaf and hearing impaired and visually impaired persons. HUD will make arrangements to provide an interpreter, a signer or a reader upon request, if such a request is made at least 72 hours prior. If you need additional accommodations, please call or e-mail 72 hours in advance at the contact information listed below.

City of Pasco
Kristin Webb
525 N. Third Avenue Pasco, WA 99301
(509) 543-5739
webbk@pasco-wa.gov

The Fair Housing Act prohibits discrimination in housing because of race or color, national origin, religion, sex, familial status, and handicap (disability). In addition, it is illegal to threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right. If you feel you have been discriminated against, contact any of the above listed City Staff or the nearest HUD field office location at the Fair Housing Enforcement Center in Seattle, Washington, (206) 220-5170, 1-800- 877-0246, or TTY (206) 220-5185

PART A – BORROWER / APPLICANT INFORMATION

(Must be completed by the Applicant(s)/Borrower(s))

Borrower		Co-Borrower	
Name (include Jr. or Sr. if applicable)		Name (include Jr. or Sr. if applicable)	
Social Security Number	DOB (mm/dd/yyyy)	Social Security Number	DOB (mm/dd/yyyy)
<input type="checkbox"/> Married <input type="checkbox"/> Head of Household (single parent) <input type="checkbox"/> Unmarried (including single, divorced, widowed, legally separated)		<input type="checkbox"/> Married <input type="checkbox"/> Head of Household (single parent) <input type="checkbox"/> Unmarried (including single, divorced, widowed, legally separated)	
Email Address:		Email Address:	

A married couple will be required to sign the City's Deed of Trust and Promissory Note, regardless of a borrower purchasing the home as his or her separate estate.

Present Address (street, city, state, zip)		Present Address (street, city, state, zip)	
Home #: (incl. area code)	Alt. #: (incl. area code)	Home #: (incl. area code)	Alt. #: (incl. area code)

HOUSEHOLD INFORMATION

Household Size (total number of people residing in the home):

List **every person** residing in your home including yourself:

Last, First, M.I.	Relationship to Applicant(s)	Age	*Social Security #	Full-time Student? (Yes or No)
	Borrower		Above	
	Co-Borrower		Above	

*** Valid Social Security Number required for each household member six (6) years of age or older.**

PART B - EMPLOYMENT AND INCOME INFORMATION

CURRENT SOURCES OF INCOME: Please list all sources currently received for Applicant, Co-Applicant, and any other household members contributing to household income. Income Sources include Employment, Seasonal Employment, Bonus/Tips/Commission, Social Security, Supplemental Social Security Income, Unemployment, Educational Benefits, Public Assistance, Pension, Child Support, Alimony, Rental Property Income, Dividend/Investment Income, Pension and Other.

Borrower

Name & Address of Employer:

Date Hired: ____/____/____

Status: ☐ Full-Time ☐ Part-Time ☐ Seasonal

Pay Rate: ☐ Hourly **OR** ☐ Salaried

Pay Frequency: ☐ Weekly ☐ Bi-Weekly
☐ Bi-Monthly ☐ Monthly

Monthly Gross Income \$

Overtime \$

Tips \$

Bonuses \$

Commissions \$

Other \$

Other \$

TOTAL \$

Co-Borrower (Spouse)

Name & Address of Employer:

Date Hired: ____/____/____

Status: ☐ Full-Time ☐ Part-Time ☐ Seasonal

Pay Rate: ☐ Hourly **OR** ☐ Salaried

Pay Frequency: ☐ Weekly ☐ Bi-Weekly
☐ Bi-Monthly ☐ Monthly

Monthly Gross Income \$

Overtime \$

Tips \$

Bonuses \$

Commissions \$

Other \$

Other \$

\$

I certify that as the co-borrower I do not have any sources of income, nor do I anticipate receiving an income during the next twelve (12) month period.

Co-Borrower Signature: _____ **Date:** _____

OTHER INCOME, INCLUDING HOUSEHOLD MEMBERS 18 YEARS AND OVER

Last, First, M.I.

Gross Monthly Income

Source of Income

\$

\$

\$

ASSETS AND LIABILITIES				
Type of Assets	Value	LIABILITIES	Mo. Payment	Unpaid Balance
Name & Address of Bank, S&L or Credit Union		Name of Company		
Source:	\$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	\$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	\$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	\$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	\$	Acct. No.:		
Stock & Bond Company Name	\$	Name of Company		
Real Estate owned (enter market value)	\$	Acct. No.:		
Vested Interest in Retirement Fund	\$			
Net worth of business(es) owned Attach Financial statement	\$			
TOTAL ASSETS	\$			
To be eligible for assistance, borrower(s) must not have liquid assets exceeding ten thousand dollars (\$10,000). Liquid Assets are defined as assets that can be readily converted to cash and include such assets as checking and savings accounts, certificates of deposit, money market account, stocks, bonds, and profit- sharing accounts (if funds can be withdrawn without penalty).		TOTAL MO. PAYMENTS	\$	
DECLARATIONS			Borrower	Co-borrower
Have you ever received City of Pasco financial assistance resulting in a lien?			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there any outstanding judgments against you?			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the subject property currently being occupied as your primary residence?			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have, or have you ever had credit problems? (Bankruptcy, wage garnishments, collections)			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are your property taxes current?			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are your mortgage payments current?			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

PART B - NON-BORROWER – CERTIFICATION OF INCOME

(Must be completed by individuals 18 years and older who will be residing in the home)

This form is designed to document household size/income information for individuals who are not borrowers and who are 18 years or older and will be residing in the home. (Please make copies for additional household members)

Provide the following information:

Print Full Name: _____

S. S. Number: _____ Date of Birth: ____/____/____

Property Address: _____

Check all boxes that apply:

- ☐ I am not a co-borrower, but I acknowledge that I am being included as a household member on the borrower(s) application and,
- ☐ I **have** sources of income, which may include wages from employment, welfare, Social Security, SSI, Child Support **Attach the following documentation: 2 months current paystubs; income award letter; 6-month current bank statements, retirement account statements and Current 2 years Tax Returns, with all W-2's and schedules)**
- ☐ I **do not** have any sources of income, nor do I anticipate receiving an income during the next twelve (12) month period (i.e., not working, stay at home parent, etc.)

OR

- ☐ I am not a co-borrower, I am a full-time student, 18 years or older and I acknowledge that I am being included as a household member on the borrower(s) application and,
- ☐ I **have** sources of income, which may include wages from employment, welfare, Social Security, SSI, Child Support. **Attach the following documentation: school enrollment documentation; 2 months current paystubs; income award letter; 6-month current bank statements, retirement account statements and current 2 years Tax Returns, with all W-2's (and schedules)**
- ☐ I **do not** have any sources of income, nor do I anticipate receiving an income during the next twelve (12) month period (i.e., not working, stay at home parent, etc.)

By signing, I certify that the information provided to the City of Pasco is true, correct, and complete.

Signature

Date

PART C – BORROWER / APPLICANT DECLARATIONS AND CERTIFICATIONS

(Must be completed by the Applicant(s) / Borrower(s))

Please read and initial the appropriate boxes and sign below.

Borrower: I am a ☐ US Citizen ☐ US Non-Citizen ☐ National Qualified Alien
Co-Borrower: I am a ☐ US Citizen ☐ US Non-Citizen ☐ National Qualified Alien

Borrower Initials	Co-Borrower Initials	
		I (we) understand that the City of Pasco will project out household gross income for the next 12-month period to determine eligibility to participate in the City of Pasco Rehabilitation Program based on IRS 1040 AGI.
		I (we) certify that we will occupy the property as our principal residence throughout the Period of Affordability and Occupancy requirements.
		I (we) understand that this will be a zero percent interest, deferred payment loan. Loan will become due and payable upon transfer of ownership.
		I (we) understand that this application shall remain the property of the City of Pasco to which it is submitted for the purpose of obtaining a loan.
		I (we) certify that we do not have any interest in any other real estate.
		I (we) certify that we do not have any interest in any businesses other than the source(s) of income shown on this application.

I/we declare under penalty of law that the information given by me/us in this application is true, correct and complete to the best of my/our knowledge and belief and realize that false statements or misrepresentation by me/us may subject me/us to penalties as provided in Washington State Law RCW 74.08.055. Furthermore, I/we acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained on this application may result in civil liability and/or criminal penalties including, but not limited to, fine, imprisonment, or both, under the provisions of Title 18, United States Code, Section 1001, et. Seq. and liability for monetary damages to the Program Manager, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this Application.

Signature of Borrower & Date

Signature of Co-Borrower & Date

PART D – BORROWER / APPLICANT RELEASE OF INFORMATION

(Must be completed by the Applicant(s) / Borrower(s))

To Whom It May Concern:

I/we hereby authorize you to release to the City of Pasco the following information:

1. Current, previous, and past employment history, including employer, period employed, title of position, income and hours worked.
2. Income from all sources, including but not limited to, wages, unemployment benefits, pension benefits, interest income, income from rental properties, social security, disability, child support, maintenance, public assistance, and any other sources.
3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

This information will be for the confidential use of the City of Pasco or the U.S. Department of Housing and Urban Development in determining my/our eligibility for a loan from one of the City's housing programs, or to confirm information that I/we have supplied.

A photo or fax copy of this authorization, bearing a copy of the signature(s) of the undersigned may be deemed to be the equivalent to the original hereof and may be used as a duplicate original.

Borrower:

Co-Borrower:

Last, First, M.I.

Last, First, M.I.

Social Security #

Social Security #

Date of Birth

Date of Birth

Place of Birth

Place of Birth

Address

Address

City, State, Zip

City, State, Zip

Signature

Date

Signature

Date

PART E - DEMOGRAPHICS

The following information is requested for statistical purposes so that HUD may determine the degree to which its programs are being utilized by minority families and for other evaluation studies.

Type of Household (select one of the following based on the Head of the Household):

- ☐ Single, non-elderly ☐ Two Parents
- ☐ Single Parent ☐ Other
- ☐ Elderly

Ethnicity of Household Members (select only one of the following):

- ☐ Hispanic or Latino ☐ Not Hispanic or Latino

☐ Race of Household Members (select all that apply):

- ☐ White
 - ☐ Black/African American
 - ☐ Asian
 - ☐ American Indian/Alaskan Native American
 - ☐ Native Hawaiian/Other Pacific Islander
 - ☐ American Indian/Alaskan Native & White
 - ☐ Asian & White
 - ☐ Black/African American & White
 - ☐ American Indian/Alaskan Native & Black/African
 - ☐ Other Multi-racial

Do you consider yourself handicapped (physically, mentally, or sensory)?

PART F - Rehabilitation Required Submittals and Documentation

(Borrower must submit forms and documents with Application as indicated)

<u>CHECK ITEMS INCLUDED</u>	<u>THESE ITEMS ARE REQUIRED FOR FILE</u>	<u>CITY USE ONLY</u>
<input type="checkbox"/>	This Checklist	<input type="checkbox"/>
<input type="checkbox"/>	Application Completed	<input type="checkbox"/>
<input type="checkbox"/>	Current IRS 1040 Tax Return (with all schedules), OR Third-Party Income Documentation30 days current paystubs (every household person 18 years or older) and other income verification (Annual Benefits letters, year-end statements, etc.)	<input type="checkbox"/>
<input type="checkbox"/>	Proof of Legal Residency (SS Card, WDL or State Photo ID, Resident Alien Card, Passport	<input type="checkbox"/>
<input type="checkbox"/>	Property Hazard Insurance Policy – Current	<input type="checkbox"/>
<input type="checkbox"/>	Mortgage Statement – Current (Balance & Payment info)	<input type="checkbox"/>
<input type="checkbox"/>	Property Tax Assessment Valuation – Property Taxes Current	<input type="checkbox"/>
<input type="checkbox"/>	Utility Bills – Current	<input type="checkbox"/>
<input type="checkbox"/>	Non-Borrower Certificate of income/no income)	<input type="checkbox"/>