
PROGRAM GUIDELINES

The Emergency Repair Loan Program provides an opportunity for income-limited citizens to obtain interest-free loans to address an immediate health or safety hazard through the repair of their homes. The program is intended to assist those for whom conventional loans are not a resource.

Applicant Eligibility

Applicants for the Emergency Repair Loan Program must meet the following requirements:

- The applicant must be the recorded owner and occupant of the home to be repaired for at least one year prior to the date of the application. Contracts of Sale are accepted only if the contract has been effective for five (5) years or more. Life estate deeds are accepted.
- The applicant must not have any outstanding judgements against the property.
- The applicant's property taxes and insurance must be current.
- The applicant's income must not exceed the determination requirements as defined below.
- The applicant must work with City of Pittsburg staff throughout the project, including construction, inspections, payment, and project completion.
- The applicant must not be a legal entity.

Property Eligibility

Properties for the Emergency Repair Loan Program must meet the following requirements:

- The property must be located within the city limits of Pittsburg, Kansas.
- The property must have an existing need for the repair of at least one major system or the need to eliminate any unsafe conditions.
- The property must be a single-family residence.
- The property must not be declared dilapidated as determined by the City of Pittsburg's Building Official.
- The property must not be under foreclosure proceedings, in default, or delinquent on the mortgage, if any.
- The property must have an existing need for the repair of an immediate health or safety hazard.

"Immediate health or safety hazard" is defined as housing that is in need of any of the following items:

- Repair of the electrical system.
- Repair of the plumbing system.
- Repair of the mechanical system (e.g. furnace or heating unit).
- Repair of a structural element of the home.
 - Roofs are not eligible under this program.
- Elimination of barriers for the elderly and individuals with disabilities, including the property upon which the housing unit is located.
 - Requests for accommodations of this kind must be accompanied by proof of disability and the need must have occurred within the past 6 months.

Only the hazard identified as an existing immediate health and/or safety hazard by the City of Pittsburg will be considered for repair. The hazard must be identified and the repair cost estimated by a licensed contractor at the time of application.

Financial Eligibility

Applicants for the Emergency Repair Program must meet the following requirements:

- The household annual gross income must fall at or below the income guidelines based on household size as shown in the table below:

1	2	3	4	5	6	7	8
\$17,700	\$21,150	\$26,650	\$32,150	\$37,650	\$43,150	\$48,650	\$54,150

In the event that costs necessary to repair an existing hazard exceed the set maximum loan limit for the program, the applicant may provide additional financial resources necessary to assure completion of the work, including:

- Proof that a supplemental loan has been secured
- Cash to be held in escrow and disbursed at the time of final payment
- Other available resources may be considered

Loan Procedure

Loan applications will be submitted to the Community Development & Housing Office, and will be reviewed by designated City of Pittsburgh staff. The city may perform a credit check of any applicant or co-applicant. Recommendation for approval or disapproval will be made by City of Pittsburgh staff, including the Director of Community Development & Housing.

Loans will be subject to the following requirements:

- Maximum loan amount is **\$2,000**
- Loan interest rate is fixed at **0%**.
- Maximum loan term is **15 years**.
- The loan will be secured by the real property through a signed note and mortgage.

The term of the loan is negotiable based upon the amount of the loan and the applicant's ability to repay the loan, as determined by the *Income and Ability to Pay Worksheet*. The ability to repay the loan will be based upon the current financial analysis of housing costs, including principal, interest, taxes, and insurance, which may not exceed 29% of the applicant's gross monthly income, but in no case may a loan be approved where the total monthly debt payment exceeds 42% of the applicant's gross monthly income. Eligibility for the loan may be determined based on information received through a credit report or other applicable information.

The applicant will be required to pay for any costs associated with the loan process, including, but not limited to, title search, credit report, and/or mortgage filing fees. These costs may also be included in the total loan amount financed if the loan is approved, and may be paid up front after initially determining the loan will be offered. Funds will be held in escrow and returned to the applicant if the loan is not able to be offered.

Feasibility of Repair

This policy gives the City of Pittsburgh the right to 'walk away' from repair projects if the repair is not feasible. The following criteria will be considered when determining the feasibility of repair:

- Housing suitability for repair, including any other unsafe conditions existing anywhere on the property that could prohibit approval.
- Estimated repair costs that exceed the maximum loan amount.
- Estimated repair costs that exceed the value of the structure.
- Applicant's ability to repay the loan.

- Failure of the applicant to agree to any requirements set forth in the program guidelines.

Application Availability

The availability of the Emergency Repair Loan Program will be publicized to residents through the City of Pittsburg website (www.pittks.org). Applications may be obtained at the Community Development & Housing Office, 216 N Broadway, Ste. G, Pittsburg, KS. Applications will be reviewed and approved or disapproved by City of Pittsburg staff, including the Director of Community Development & Housing.

Role of Applicants

Applicants will provide the name of the contractor they want to use to the Community Development and Housing office. If the contractor has already begun working on the hazard in a good-faith effort to assist the property owner, that contractor will be approved to complete the job only if they are licensed by the City of Pittsburg.

Applicants agree to the repair work as bid, to provide access to the property by repair personnel, and to allow the performance of the required work. Utilities (gas, water, electricity) must be available for the repair work. Applicants must be willing to remove all valuable and/or breakable items that might be damaged due to repair work. Applicants must accept the final completion of the project as approved by the City's Building Official.

Repair Contract Procedures

Contractors must be licensed by the City of Pittsburg and insured. Payment for repairs will be made upon final completion of the project as approved by the City's Building Official. Approved contractors must agree to the terms as outlined in the Construction Contract Agreement, abide by City ordinances and building codes, and agree to work closely with the City's Building Official. All bids will be reviewed by the Community Development & Housing office, and all contractors must be approved.

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