

How the Home Repair Program Works

Finance Example for Homeowners

Meet Tom & Maria.

Tom & Maria own a house in the target area. They live there with 2 kids; their household size is 4.

Their total income is \$42,000.

Tom & Maria's home needs repairs.



Step 1. Tom & Maria apply for the Home Repair Program.

Step 2. An inspector looks at their house and makes a report.

Step 3. Repair Program staff calculates the loan amount.

INSPECTION REPORT

Eligible Repairs at Tom & Maria's House:

Roof repair	\$ 8,000
Insulation	3,000
Smoke detectors	300
Gutters replaced	500
Electrical repair	200
Furnace replaced	3,000
Lead Mitigation	3,000

Total \$18,000

TOTAL ELIGIBLE REPAIR COSTS = \$18,000



0% Loan with 10 year term

Forgiven 10% per year

Deferred (no payments unless owners move out before 10 years)

Savings

Loans

Match (if eligible)



90 days

Step 4. Contractor is selected and repairs the home.

Step 5. Tom & Maria live in the home for the 10-year loan term.



At the end of each year, 10% of Tom & Maria's loan is forgiven. 10% = \$540

After 10 years, the loan is 100% forgiven. If Tom & Maria move out after 5 years, 50% is forgiven and 50% is repaid.

2012 Income Limits, by Household Size:

1 person \$34,650 / 2 people \$39,600 / 3 people \$44,550 / 4 people \$49,450

(These amounts are adjusted each spring)