

CRANSTON DEPARTMENT OF COMMUNITY DEVELOPMENT

OWNER - OCCUPIED HOME REHABILITATION PROGRAM

The Housing Programs Division of the Cranston Department of Community Development is offering assistance to Cranston homeowners to correct housing deficiencies. **Homeowners must meet certain income and program guidelines.** Programs available include the following:

Two (2%) percent interest loans

- Payable in 180 monthly payments (15 years)
- The applicant's total family income cannot exceed 80% of the median income.
- Loan to be paid in full upon change in ownership or title.

Two (2%) percent-deferred loans

- Payable in 15 years
- Interest is calculated per each year of the loan and added to the principal
- The applicant's total family income cannot exceed the 80% of the median income.
- Loan to be paid in full upon change in ownership or title.

Zero (0%) percent deferred interest loan

- The applicant's total family income cannot exceed 50% of the median income.
- Loan to be paid in full upon change in ownership or title.

PROGRAM GUIDELINES

1. The program is limited to one (1) to three (3) family dwellings owner occupied.
2. Funds from these loans can be used only for structural deficiencies, no new construction.
3. Maximum loan is \$25,000; in extenuating circumstances, may be revised on a case-by-case basis.
4. Loans are secured by a mortgage deed that is recorded in the City Clerks Office.
5. Debt-to-income ratio cannot exceed 50% of monthly income.
6. Loan-to-value ratio cannot exceed 90% of property value.
7. Property must remain the primary resident of the homeowner for the duration of the loan. Loan must be repaid in full upon change of ownership or title.
8. When all the paperwork from the homeowner is received in our office (during application process) it is approximately a two (2) week process for underwriting and then a letter is sent to the homeowner with the decision.
9. A State Lead Inspection must be performed on any property that is disturbing paint. and a certificate of acceptable clearance must be received on the property.
10. Job specs are sent by mail and e-mail to qualifying contractors and they have 2 weeks to submit the bids back to this department. Contract is awarded to the lowest bidder. Clients in the 2% loan programs have the option to choose contractors that are within 10% of the lowest bid.
11. Anyone that resides in a Flood Zone must have flood insurance on the property and must maintain this insurance for the duration of the loan. This department must receive an updated copy of the flood insurance every year.
12. Anyone involved in a reverse mortgage is ineligible for any rehab program.

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