



Revised 6/2009

EMERGENCY AND FURNACE LOAN APPLICATION

1. Return Loan application to office of Development Services at 1 Riverfront Plaza, Suite 110, or mail to P.O. Box 708, Lawrence, Kansas, 66044. Telephone: (785) 832-7770. Telecommunications Device for the Deaf: (785) 832-3205. Enclose evidence of family gross income of the preceding year. (W-2 Forms, Income tax return, Social Security letter of benefits, etc).
2. Submit a minimum of three (3) bids for the work to be done. These must be included with the application. If unable to obtain three (3) bids, owner must provide supporting documentation regarding bid solicitation. **HOMEOWNERS ARE NOT ALLOWED TO DO THEIR OWN IMPROVEMENTS.**
3. The Department of Planning and Development Services will advise the applicants when, and if, the application is approved.
4. Upon approval of the application, a City purchase order will be issued for the work to be done. **WORK MUST NOT BEGIN WITHOUT THIS PURCHASE ORDER.**
5. Loan recipients will advise the Department of Planning and Development Services when the work has been completed in order that a verification inspection can be made.
6. Invoices or sales tickets must be submitted to the Department of Planning and Development Services so the vendor can be paid.
7. The Department of Planning and Development Services will pay vendors when properly signed invoices are received and The Department of Planning and Development Services staff has performed an inspection of the work. Generally, the claim will be paid the week after receipt of invoices and approval of the work.

I. EMERGENCY AND FURNACE LOANS

A. Eligibility Requirements

1. The property must be located within the City Limits and not within a designated flood plain area.
2. The property must be owner-occupied and contain no more than two dwelling units. The applicant must be the owner/occupant of the property for a minimum of one year prior to application.
3. The *applicant and/or structure* for which the application is being made cannot have received comprehensive rehabilitation assistance from the City since December 31, 1978.
4. The *structure* for which the application is being made can receive only one emergency loan and one furnace loan assistance from the City.
5. Applicant's gross family income from all sources may not exceed 80% of median income. .
Income guidelines are as follows:

Family Size	80% of Median
1	\$38,350
2	\$43,850
3	\$49,300
4	\$54,800
5	\$59,200
6	\$63,550
7	\$67,950
8+	\$72,350

6. The applicant must sign a Mortgage Note and Mortgage for the amount of financial assistance.
7. The Development Services Staff shall determine whether the proposed work is necessary and appropriate.
8. The Development Services Staff shall determine whether the property is of sufficient value to warrant the loan.

B. Eligible Use of Funds

1. For improvements that eliminate immediate hazards to health and safety, or cause damage to the structure or conditions that are likely to cause health and safety hazards or cause damage to the structure in the near future.
2. Replacement of existing heating source with approved energy-efficient appliance, minimum 80% energy-efficient furnaces. Installation of a whole house duct distribution system is an allowable use of funds. Heat pumps will not be allowed.

C. Loan Limit per Property

1. \$5,000 or the amount necessary to make the improvement, whichever is less.

D. Payback Requirements

1. The financial assistance shall be in the form of a loan, which must be repaid when the recipient ceases to be an owner-occupant of the property improved.
2. No interest will be charged on loans, nor are monthly payments required.
3. Loan Subordination
 - a. Will not be approved if the City loan is less than or equal to \$5,000, except in cases where the recipient can demonstrate a bona fide hardship, such as medical emergency, or "act of God" catastrophe.

EMERGENCY / FURNACE LOAN APPLICATION

1. Name of Applicant: _____

2. Address: _____ Zip code _____

3. Telephone: (h) _____ (w) _____

4. Describe the work to be done:

5. Who will do the work? _____

6. What will be the cost? Attach written bid(s): _____

If this application is approved, I agree to the following conditions:

1. Work will not begin prior to approval of this application.
2. The work will be completed within thirty (30) days after the receipt of the materials listed above unless the Planning and Development Services Department has approved a longer period of time.
3. I will submit to the Planning and Development Services Department all invoices for the proposed work to be completed.
4. I will advise the Planning and Development Services Department when the proposed work is completed.
5. I will allow the Planning and Development Services Department staff to inspect the work when it is completed or at any other time that is mutually convenient.

Date: _____

Signature of Applicant

Approved: _____
Planning and Development Services Department

LAWRENCE, KANSAS CDBG/HOME PROGRAM ELIGIBILITY CERTIFICATION

1. **NAME OF PROJECT: (Check one)** EMERGENCY LOAN FURNACE LOAN
 2. **APPLICANT INFORMATION**

Name _____
 Address _____ Zip Code _____
 Telephone (home) _____ (work) _____

Applicant Characteristics:

Age _____ Disabled: Yes _____ No _____ Head of Household: M _____ F _____

Number in Family _____

Must mark one: Hispanic or Latino Yes _____ No _____

Must choose one category below:

White _____ Black/African American _____ Asian _____ American Indian/Alaska Native _____

Native Hawaiian/Other Pacific Islander _____ American Indian/Alaska Native & White _____

Asian & White _____ Black/African American & White _____

American Indian/Alaska Native & Black/African American _____ Other Multi-Racial _____

3. **INCOME VERIFICATION—Circle the one that applies to your family size.**

GROSS ANNUAL INCOME:

Family Size	80% of Median	50% of Median	30% of Median
1	\$38,350	\$24,000	\$14,400
2	\$43,850	\$27,400	\$16,450
3	\$49,300	\$30,850	\$18,500
4	\$54,800	\$34,250	\$20,550
5	\$59,200	\$37,000	\$22,200
6	\$63,550	\$39,750	\$23,850
7	\$67,950	\$42,450	\$25,500
8+	\$72,350	\$45,200	\$27,150

4. **CERTIFICATIONS**

- A. I hereby certify that the gross annual income of all adult members of the household cited in item #2 falls within the income category range as checked above. I also understand and agree that any misrepresentation on my part of information contained herein may constitute fraud.
- B. I hereby certify that I have been informed of Lead-Based Paint Hazards (if applicable) and that I have received a copy of the notice entitled: **Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools.** **(Please keep attached information.)**
- C. I hereby certify that I will not discriminate upon the basis of race, color, religion, sex, disability, familial status, or national origin in the sale, lease, rental, use, or occupancy of the property to be improved through financial assistance provided from the Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME) program of the City of Lawrence.
- D. I hereby certify that I have been informed of the City of Lawrence Loan Subordination Policy (if applicable) and that I have received a copy of the policy. (Please keep attached Policy Statement.)

Date _____

 Signature of Applicant

I hereby certify that the above-named applicant meets all eligibility criteria for this project.

Date _____

 Signature of Coordinator

**Loan Subordination Policy
Planning and Development Services Department**

It is common for applicants who have received assistance through the City of Lawrence Planning and Development Services housing loan programs to have a primary mortgage against the property to be rehabilitated prior to their participation in the City's Programs. City staff reviews each case to determine if the City's financial interest will be protected after the proposed project is completed. If it is determined that the City will be protected, the project will proceed. If not, the City declines to participate in that project.

In some cases, after the project is completed, loan participants wish to refinance the primary loan on their property or borrow additional funds against the property for various reasons. In most cases, the City is required to subordinate its mortgage to this new mortgage in order for the loan to proceed. (In effect, the City's loan must be secondary to the primary mortgage.) The objectives of the housing loan programs are to preserve housing/neighborhoods while protecting the City's financial interest. This policy is designed to support these objectives. Following are the conditions under which a Request for Loan Subordination will be approved or disapproved.

1. Only subordination requests for a homeowner/occupant will be considered.
2. In all cases, an independent appraisal or current Douglas County Appraisal Valuation Notice must be submitted along with the completed Request for Subordination form.
3. **The request will not be approved if the City loan is less than or equal to \$5,000, except in cases where the recipient can demonstrate a bona fide hardship, such as medical emergency, or "act of God" catastrophe.**
4. The request will be approved if the loan recipient wishes to refinance to a lower interest rate, receiving no cash or using cash only for closing costs. At the time of subordination, total indebtedness against the property shall not exceed 100% of the appraised value.
5. **The request will be approved if the loan recipient is getting cash, but at the time of subordination, total indebtedness against the property shall not exceed 80% of the appraised value.**
6. **The request will be approved if the loan recipient is getting cash, but at the time of subordination, total indebtedness against the property shall not exceed 90% of the appraised value in cases where the recipient can demonstrate a bona fide hardship, such as medical emergency, or "act of God" catastrophe.**