



## Pilot Urban Rehabilitation Homeownership Program "UR Home" FACT SHEET

### **PROGRAM DESCRIPTION:**

- UR Home Program to commence on May 1, 2006.
- Limited funding will be available on a first-come, first-serve basis. Funding is available from the State of Connecticut and will be available for rehabilitation in conjunction with a CHFA 1<sup>st</sup> mortgage (see Allowable Improvements for rehabilitation on reverse side).
- For eligible persons and families looking to purchase and occupy a home that needs repairs in the city where they work.
- State of Connecticut funds are to be used for rehabilitation costs up to a maximum amount of \$20,000 for single family homes and up to \$25,000 for multifamily homes (2-4 units).
- The funding from the State has a 0% interest rate, and these loans are forgiven at 20% a year over 5 years.
- CHFA 1<sup>st</sup> mortgage interest rate ¼% below the regular CHFA interest rate at the time of loan reservation.
- There are no income limits (for the CHFA first mortgage only).
- Downpayment Assistance Program loan available at a 3% interest rate (income limits might apply).
- There are sales price limits. Please refer to CHFA's sales price limits listed in the CHFA Homebuyer Brochure on CHFA's website at [www.chfa.org](http://www.chfa.org).
- Origination fee to participating lender is 1.5% for combined CHFA 1<sup>st</sup> mortgage, Downpayment Assistance Mortgage and UR Home Mortgage.
- UR Home Lenders are: McCue Mortgage Company (800) 382-0017; People's Bank (800) 772-1090; Savings Institute Bank and Trust (860) 456-6594; Webster Bank (888) 681-7788.
- The loans are insurable through FHA or the following private mortgage insurance companies: AIG United Guaranty; MGIC; PMI; Genworth Financial; RMIC; and Radian Guaranty.
- Loans are available in the six (6) eligible communities of Bridgeport, Hartford, New Haven, New London, Waterbury, and Windham/Willimantic - (census tract 8006 only).

### **ELIGIBLE HOMEBUYERS:**

The homebuyer(s) must be working in and purchasing a home in one of the above-referenced communities and agree to live in the home for a period of at least five (5) years. They must also fall into one of these categories:

- **State Employees** working in a State agency office located in one of the communities listed above.
- **Municipal Employees** working in one of the communities listed above. Municipalities, by ordinance, may authorize not to tax improvements on all eligible properties for five years from the date such rehabilitation is completed. (Participating municipalities will be posted to CHFA's website at the time of their participation.)
- **Private Sector Employees** working for employers who are located in one of the above-referenced communities. The employer must agree to participate in the program and agree to contribute funds to be used toward downpayment, or closing costs, for each of their employees who purchase and rehabilitate a home under this Program. Employers' contributions will range from \$250 to \$2,500 depending on the number of employees.

**NOTE:** Please refer to the following for specific information: UR Home Lender Fact Sheet; Homebuyer(s) Fact Sheet; Counseling Agency Fact Sheet; Contractors Fact Sheet; Private Sector Employer Fact Sheet.



## Urban Rehabilitation Homeownership (UR Home) Program Allowable Improvements

### **Guidelines:**

- The estimated cost for improvements and repairs must be at a minimum of \$5,000 up to \$20,000 for a single family home and \$25,000 for 2-4 units.
- Eligible improvements are those that substantially protect or improve the basic livability of the home, such as health and safety repairs.
- Expenditures for cosmetic or other purposes that do not directly enhance the livability of the home or are not integral to the home do not qualify. Such non-essential or luxury improvement items include area rugs, fencing, garages, major landscaping work, pools, hot tubs, granite or marble work, and other work to be done that would be viewed as cosmetic enhancements. Appliances are not an allowable improvement. **(NOTE: CHFA reserves the right to reject any rehabilitation work deemed to be cosmetic or unnecessary.)**

### **Examples of the eligible rehabilitation work include:**

- Elimination of health and safety hazards;
- Structural alterations and repair of damage to the home, including chimneys, walls, roofs, ceilings and exterior sidings;
- Installation or upgrades to fire sprinkler systems, smoke detectors, or fire doors;
- Upgrades or energy efficiency improvements to electrical, plumbing, and HVAC systems;
- Lead and asbestos abatement;
- Energy conservation improvements such as window replacement, insulation of doors, caulking and weather stripping;
- Installation of handicapped facilities and/or access;
- Installation or replacement of wells, septic tanks and hot water systems;
- Replacement of stairs and porches;
- Reasonable upgrades of kitchens and bathrooms **(subject to CHFA approval)**;
- Improvements must comply with Connecticut State and local codes and ordinances.