

# PORTSMOUTH REDEVELOPMENT AND HOUSING AUTHORITY

## WESTBURY PAINT LOAN PROGRAM GUIDELINES

The Westbury Paint Loan Program will be administered by the Portsmouth Redevelopment and Housing Authority (the Authority) within these guidelines for the purpose of providing assistance to qualified homeowners within the Westbury Neighborhood. Assistance will include exterior painting of homes located in the Westbury Neighborhood.

### I. ELIGIBILITY REQUIREMENTS

#### **Applicant must meet all of the Following Requirements:**

- A. Be the original, first homebuyer of the property and the property must be the owner's principal residence.
- B. The structure must be located in the Westbury neighborhood of the City of Portsmouth, Virginia.
- C. All City of Portsmouth taxes must be current.
- D. There cannot be more than one (1) existing Deed of Trust or Deed of Trust Note against the property.
- E. The loan-to-value ratio including the Westbury Paint Loan cannot exceed one hundred percent (100%).

### II. FINANCING AVAILABLE

- A. Westbury Paint Loan Funds, not exceeding Five Thousand Dollars and No Cents (\$5,000.00), will be made available to qualified applicants and subject to available funds. Provisions of this program may be amended from time to time and waivers may be granted to individual applicants on a case-by-case basis only upon official approval by the Authority.
- B. To participate in the program, the qualified applicant must execute a Deed of Trust and a Deed of Trust Note in the amount of the assistance provided. The Deed of Trust must be executed by all individuals or entities holding a fee simple interest in the property and will be recorded in the City of Portsmouth Circuit Court.
- C. The Loan shall have a permanent term of ten (10) years. The Loan shall be repaid in One-hundred twenty (120) equal monthly payments of principal. The Loan will contain a zero percent (0%) interest rate.
- D. Generally, the maximum amount of a Westbury Paint Loan is not to exceed Five Thousand Dollars and No Cents (\$5,000.00). In the following cases, the Authority may approve an increase in the loan amount in excess of \$5,000.00: (1) if hidden or undiscovered damage is found (2) other good cause. In determining whether to approve an increase, the Authority will consider the following factors: (a) the availability of funding: (b) the reason for the proposed increase: (c) the necessity of the work which would result in the increase: (d) any other reasonable factors.
- E. All Loans are subject to the allocation and availability of funds to the Program.

### **III. ADDITIONAL PROGRAM REQUIREMENTS AND RESTRICTIONS FOR APPLICANTS THAT QUALIFY FOR THE WESTBURY PAINT LOAN PROGRAM**

- A. The paint color must be chosen from the approved Westbury color palette.
- B. Applicant shall maintain the real estate taxes on the property in a current status for the life of the lien.
- C. Upon sale of the property, title transfer, or death of qualifying person(s), repayment of the existing loan amount would be required in accordance with the security instrument.
- D. Applicant shall provide evidence that any outstanding judgments have been satisfied.
- E. No refinancing will be permitted in this program.
- F. The Authority may subordinate deferred loans in favor of other loans, pending review and approval. A processing fee of \$40.00 will be charged for approved subordinations, with a \$20.00 fee charged for those unable to be recommended for approval. A check for \$20.00 must accompany any request for subordination, with the remaining \$20.00 due prior to release of the approved subordination document. In situations where the applicant desires to refinance a superior lien, the total outstanding debt must not exceed one hundred percent (100%) of the loan-to-value ratio. All costs of subordination must be borne by the applicant.
- G. All loans are subject to funding approval by the Authority.
- H. Applicant shall cooperate with the Authority in completing any and all program requirements. Said cooperation shall include, but not be limited to, completion of paper work and applications, fulfilling all the schedules mandated by the Authority or other governmental entities, and/or all requirements of the program.
- I. This program is provided one time only to an eligible applicant. Once an applicant receives assistance through the Westbury Paint Loan Program they cannot qualify for assistance under this program again.
- J. The applicant must sign an affidavit stating that they do and will continue to use the residence as their principal residence. If this affidavit is breached or determined to be materially false, the loan will be due and payable, retroactive to the loan settlement date.
- K. All work must be performed by a licensed and insured contractor. Copies of license and insurances must be provided to the Authority.

### **IV. SETTLEMENTMENT AND PROJECT COMMENCEMENT**

- A. The Construction Phase shall be initiated within 30 days of the loan closing. The Construction Phase is considered to be initiated with the issuance of a Notice to Proceed to the contractor, a copy of which is to be provided to the Authority.

- B. The Construction Phase will terminate when the final payment to the contractor is due, or in the absence of a final Certificate of Payment, 30 days after the date of Substantial Completion of the work, whichever occurs first.
- C. During the painting process, frequent periodic inspections of the progress and performance in accordance with the written explanation of the work to be accomplished may be required by the Authority. Approval of draw requests shall be dependent upon satisfactory inspections.
- D. Applications for disbursement for funds (draws) will be made by the borrower directly to the Authority and will be governed by the requirements of the Authority.
- E. Repayment of the loan will be made directly to the Authority or its servicing agent.

**V. INELIGIBLE ACTIVITIES**

- A. Funds made available under this program shall not be used to make cosmetic repairs, physical improvements or landscaping.
- B. Funds may not be used to make repairs on a unit in which total project expenses from all sources exceed \$5,000.00 unless there has been an approved exception (change orders, layering of funding, etc.).
- C. All existing loans (mortgages, equity loans, homeowner association fees, etc.) cannot be in arrears at the time of application and approval.
- D. Labor performed by the owner or members of his/her immediate family.
- E. Materials or fixtures of a type or quality which substantially exceeds that used in the locality for the properties of the same general type as the property to be improved
- F. Failure to meet any of the requirements outlined in Sections I through V may result in an application being denied funding.

**VI. NOTIFICATION OF NON-DISCRIMINATION**

Applicants will not be discriminated against on the basis of race, color, religion, sex, age, handicap, familial status or national origin.