
**Frederick County Housing and Community Development
Housing Initiative Fund**



EMERGENCY HOUSING REHABILITATION PROGRAM

Background

The Frederick County Emergency Housing Rehabilitation Program (Rehab Program) provides deferred loans which require repayment upon the earlier of the sale, refinance or transfer of title to the property, to income eligible Frederick County homeowners to make emergency home repairs to correct substandard conditions and code violations, to install indoor plumbing, or make other accessible, health, and safety modifications. The Program is administered by the Frederick County Department of Housing and Community Development (DHCD).

Funding

The Rehab Program was established in the 1980's by reprogramming funds obtained by the Community Block Grant Program with approval from the State of Maryland Department of Housing and Community Development. In 2006, the Rehab Program became part of the Frederick County Housing Initiative Fund (HIF) and is maintained as a separate program in a HIF segregated project account. Based on funding availability, funds are appropriated on an annual basis during the annual budget process. Also, repayments of previously awarded rehab loans are deposited into the program account and revolve for future use.

Eligible Types of Housing

Eligible properties include owner-occupied existing homes in Frederick County, including all municipalities. Unit types include single family, townhouses, detached or semi-detached homes, condominium units, and modular or manufactured homes with the State seal of approval for code compliance.

Eligible Households

An eligible household must:

1. Have a total gross household income at or below 70% of the Washington MSA median household income limit established by the U.S. Department of Housing and Urban Development, adjusted for household size and automatically adjusted annually when the income limits are published in the Federal Register; a household consists of all the people who occupy a housing unit.
2. Occupy the property as primary residence and not own more than one property;
3. Have ownership of the property in fee simple. Property must be titled as sole ownership, tenants by the entirety, joint tenancy, or a life estate. For ownership under a life estate all individuals with an interest in the property must sign the Mortgage and the Note. Program loan funds will not be awarded if there is an existing reverse mortgage on the property.
4. Have not been awarded Emergency Rehab program funds in the last two years. Eligible homeowners can re-apply for program funding after two (2) years.

Eligible Rehab Program Uses

Eligible uses are for emergency items in eminent need of repair and the correction of health and safety code items. Uses include, but are not limited to, replacement, installation or repair of heating systems; repair of electrical and plumbing systems; installation or repair of septic system and/or wells, roof repair or replacement; and modifications to improve the accessibility of dwelling units as a reasonable accommodation for persons with disabilities or for documented medical reasons.

Application Process

1. Households apply at DHCD in person or may apply online by downloading the application at: www.frederickcountymd.gov/6378/Housing-Rehabilitation-Programs. Applications may be returned in person or by mail to Program Coordinator. Applicants may also call the Program Coordinator at 301-600-3531 for further assistance and information.
2. Applications are processed on a first come first serve basis until available funding is committed for the fiscal year. Processing includes income eligibility verification and title searches.
3. If the homeowner application meets all program criteria and funding is available, the Program Coordinator conducts a site visit to determine qualifying deficiencies and advises homeowner to get a minimum of 2-3 quotes directly from contractors
4. Quotes will be submitted by the homeowner to the Program Coordinator for review for consistency with the qualifying deficiencies and Program Coordinator will approve the scope of work.
5. The homeowner will select a Contractor with an approved scope of work to perform the work.
6. The Program Coordinator conducts settlement between the homeowner and DHCD.

Rehab Process

1. Program Coordinator supervises work performed by the Contractor and issues payment directly to the Contractor.
2. At completion, a final inspection is performed by the Program Coordinator at which time all parties (contractor, homeowner, and DHCD) agree work is complete and satisfactory by signing the Final Inspection Form. Additionally, any inspections necessary for compliance with a permit issued by a municipality or the County must be completed before final payment is made to the Contractor.

Loan Amount

The total loan amount is determined by the selected Contractor's estimate, with an approved scope of work and the cost of a title search. The maximum loan amount shall not exceed \$15,000. Loans are zero percent (0%) interest and deferred.

Documentation of Security/Repayment

After approval of the application and loan amount determination, DHCD shall prepare and record appropriate mortgage or lien documents in the land records to secure repayment to Frederick County, Maryland. The lien documents shall be recorded after the loan settlement takes place. The lien documents require repayment upon the earlier of the sale, refinance or transfer of title to the property.

Review of Director's Decision

An applicant dissatisfied with a decision of DHCD may file a written request for review within ten days of notice of the decision. Review requests should be mailed or delivered to the Director of Citizens Services Division.