



LABOR'S COMMUNITY SERVICE AGENCY



3117 N. 16th St., Suite 100, Phoenix, AZ 85016
(602) 263-5741 Fax: 602 263-0815 www.lcsaphx.org

Dear Homeowner,

This packet contains the legal documents required to begin the renovations on your house. As you know, the work done is a free service if you continue to live in the home for at least ten years. Regulations impose this in order to safeguard against program abuse, such as a person buying a property, utilizing federal funds to improve it, then selling it right away for personal gain.

For this reason, the value of the work done on your home is reflected as a “forgivable loan”, which “forgives” at the rate of 15% for the first 5 years (75%), and 5% for the last 5 years (25%). If you should pass away (during this 10-year time period) and bequeath the home to your relatives, then they would have the option of keeping the home, selling it, or putting it up for rent. If they sell it, they can pass the “loan” on to the new homebuyers. If they decide to rent it, and if the renters are in the same income bracket (80% of median) as the original homeowners, the loan will continue to forgive. Whatever the case, nobody would ever be required to pay money out-of-pocket.

For example, if the value of your home improvements is \$12,000 and your children inherit the house 5 years from now, \$9,000 will already be “forgiven”. If they should decide to sell the home, they could repay the remaining \$3,000 from the proceeds of the sale or simply attach the loan to the sale of the home. If they should decide to keep the home for at least another 5 years, the loan would continue to forgive and they would never have to repay anything, even if they sold it for a considerable profit.

If you would like help completing the application, or if you need more information, please let us know.

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PHOENIX, AZ 85016
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INFORMATION NEEDED TO COMPLETE APPLICATION

*SI NECESITA AYUDA PARA COMPLETAR ESTA FORMA - FAVOR DE LLAMAR AL
TELEFONO (602) 263-5741*

PLEASE DROP OFF, FAX OR MAIL WITH APPLICATION
THE FOLLOWING AS IT APPLIES TO YOUR SITUATION:

- _____ Copy of Recorded Deed with legal description
- _____ Name, address, and account number of mortgage company.
Statement from Mortgage Company showing loan to be current, original loan, principal balance and monthly payment (including tax and insurance escrow if applicable) Year and report form can be used if it includes all this information
- _____ Homeowner's insurance policy (face or cover page) which includes effective dates, coverage, agent's name, address and phone number
- _____ Two (2) recent check stubs - indicate how often paid.
- _____ Self-employed, not currently working or irregular work - Last two (2) years signed income tax returns (if self-employed, must provide all schedules as well as a year-to-date Profit and Loss Statement)
- _____ Most recent tax returns.
- _____ Divorce decree (statement from Superior Court if child support not being received)
- _____ Death certificate from spouse or partner.
- _____ Award letter or verification for Social Security, Supplement Security Income (SSI), VA, Civil Service Pension, AFDC, food stamps, interest, etc. include all other sources of income (baby sitting, pension, child support, alimony, disability, general assistance, unemployment, etc.)
- _____ Last two rent receipts on other property owned (or tax statement).
- _____ Social Security record (card) for all members of the household (Social Security Card, tax return or drivers license)
- _____ Most recent utility bills; water, electricity and gas.
- _____ Last two months of bank statements; checking & savings.

CDBG Rehabilitation Application

Name: _____ Age: _____ Race: _____ Hispanic: Y / N

Marital Status: Single Married Widowed
Circle one

Spouse's Name: _____ Age: _____ Race: _____ Hispanic: Y / N

Address: _____ City: _____ State _____ Zip Code: _____

Best telephone #: () _____ message # () _____ Ext: _____

Are you currently employed? Yes or No Employer: _____

Is anyone in the household disabled? Yes or No If yes, relationship to you: _____

Name of Mortgage Company: _____ 2nd Mtg: _____

Household Gross Annual Income: \$ _____

Names and Ages of All Living in Home:

<u>Name</u>	<u>Age</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

How many bedrooms are in your house? _____

What Do You Feel Needs To Be Done? _____

FINANCIAL ANALYSIS FOR PROGRAM QUALIFICATIONS

- I. Gross Monthly Income
 - a. Base Pay _____
 - (1) Head of Household _____
 - (2) Spouse _____
 - b. Social Security Benefits
 - (1) Head of Household _____
 - (2) Spouse _____
 - (3) Other Member _____
 - (4) Other Member _____
 - c. Pension/Annuities _____
 - d. Interest Income _____
 - e. Public Assistance _____
 - f. Other (Specify):
 - (1) _____
 - (2) _____
 - (3) _____
 - g. Rental Real Estate Net _____
 - h. Total Gross Monthly Income _____
 - i. Gross Annual Income _____

- II. Monthly Expenses
 - a. Mortgage (Principal & Interest) _____
 - b. 2nd Mortgage _____
 - c. Hazard Insurance _____
 - d. Mortgage Insurance _____
 - e. Real Estate Tax/Assess _____
 - f. Home Maintenance _____
 - g. Utilities:
 - (1) Electricity _____
 - (2) Water _____
 - (3) Garbage _____
 - (4) Sewer _____
 - (5) Gas _____
 - h. Total _____

- III. Other Monthly Obligations
 - a. Car Payment _____
 - b. Car Insurance _____
 - c. Other Loans _____
 - d. Child Support _____
 - e. Medical Expense _____
 - f. Child Care _____
 - g. Federal Taxes _____
 - h. State Taxes _____
 - i. Medical Insurance _____
 - j. Phone/Cable/Internet _____
 - k. Other _____
 - l. Total Monthly Expenses _____
 - m. Total Annual Expense _____

IV.

Total Annual Income	_____
Minus Total Annual Expense	_____
Disposable Income	_____

I (We), certify that the above information is correct to the best of my knowledge.

Client Signature

Date

Client Signature

Date

OWNERS RELEASE OF LIABILITY AND PERMISSION TO PERFORM

I _____ hereby give my permission to the Labor's Community Service Agency and it's employees to act on my behalf as my representative for the express purpose of rehabilitation work to be performed on my property:

Address: _____

in the City of: _____, State: _____, Zip Code: _____.

I further give my permission to perform this rehabilitation and absolve any and all parties involved in the rehabilitation, of the property mentioned above, of any liability for negligence to myself, my family, visitors and to the property itself and to the contents thereof. I further consent to allow my properties to be photographed and / or filmed at any stage of the rehabilitation work. I understand and agree that all photographs and / or films are the sole property of Labor's Community Service Agency.

It is further understood and agreed that this rehabilitation work and materials used are performed and provided without any warranty, either express or implied whatsoever, Including, but not limited to, any implied warranties of merchantability and implied warranties of fitness for a particular purpose.

Homeowner Signature: _____ Date: _____

Homeowner Signature: _____ Date: _____

LCSA Staff Signature: _____ Date: _____

LETTER OF INTENT TO REMAIN AT PROPERTY

ADDRESS: _____

1. I understand that the purpose of the Rehabilitation Programs is to correct the health and safety hazards for low income homeowners. It is not the purpose of the programs to repair a house that the owner plans to sell when the repair work has been completed. My house has not been on the real estate market for the past six (6) months. At this time, I (we) do not have plans to sell the house that I (we) have asked to be repaired.
2. I understand that a 'no' or 'low' interest rate loan will be available for low to moderate income borrowers for the repair costs. I understand that this loan does not require a monthly payment, but that a mortgage will be filed on the property as security for the loan.
3. I further understand that if the total financial assistance received exceeds \$5,000, life insurance will be required with the City of Phoenix named as loss payee. If my property is located in a flood zone, and financial assistance exceeds \$5,000, flood insurance will be required as well. I do understand the importance of having insurance on the property in case of loss. I understand that the City staff will discuss this further with me if it applies to my circumstances and they will be in contact with my insurance agent.

REHABILITATION STAFF

HOMEOWNER

DATE

DATE

HOMEOWNER

DATE

DECLINING LOAN AND MAINTENANCE AGREEMENT

I _____ have received a home rehabilitation loan from Labor's Community Service Agency (LCSA) in the amount of \$____(TBD)_____. The loan was in the form of materials and labor used in rehabilitating my residence:

Address: _____ _____

I _____ as the owner and/or resident of the afore mentioned property agree to the terms of the declining loan which states that seventy five percent (75%) of the loan amount will be forgiven over a period of five (5) years and the remaining twenty five percent (25%) will be forgiven over the next five years. During this time NO PAYMENTS are due unless I cease to occupy the property or the property is sold or otherwise transferred at which time the balance is due and payable to Labor's Community Service Agency. In the case that the owner dies, the obligation to repay the loan terminates.

I _____ further agree to maintain the afore mentioned property for the same period, ten (10) years. I understand that periodic site inspections will be conducted by LCSA staff to determine if the property is being maintained in accordance with the standards listed:

- 1) Removal of debris, salvage, junk cars, trash in/and around premises;
- 2) Ongoing maintenance of landscaping of premises;
- 3) "Good Faith Effort" to maintain and clean the exterior of the structure;

I understand that if the property is not maintained the whole amount of the loan becomes due and payable to Labor's Community Service Agency.

Applicant: (Please Print) _____

(Signature) _____

(Please Print) _____

(Signature) _____

LCSA Staff _____

CDBG REHABILITATION COMPLAINT RESOLUTION

Homeowners will be given a four-step grievance procedure:

THE FIRST STEP: Involves the on-site supervisor and the homeowner.

THE SECOND STEP: If there is still an issue to be resolved, then the program coordinator will schedule a time to meet with the homeowner.

THE THIRD STEP: If there is still no resolution, then the homeowner will meet with the Director of Construction.

THE FORTH STEP: If these three steps are not successful and all other means have been exhausted, then the agency's Executive Director will arbitrate the matter.

Homeowner Signature: _____ Date: _____

Homeowner Signature: _____ Date: _____

Rehabilitation Staff Signature: _____ Date: _____