



UPDATED 10/02/24

MARYLAND HOUSING REHABILITATION PROGRAM

SINGLE FAMILY - SPECIAL LOANS

FREQUENTLY ASKED QUESTIONS

What is the Maryland Housing Rehabilitation Program?

The Maryland Housing Rehabilitation Program aims to provide affordable funding to address critical health and safety issues and bring properties into an agreement with applicable building codes and standards by offering a suite of special loans programs.

Who is eligible to apply?

Owner-occupants of single-family homes whose household income does not exceed 80 percent of the statewide or Washington, D.C. Metropolitan Statistical Area median income.

Are renters/tenants eligible for this assistance?

No, this is only available to owners of primary residence.

What are the eligible types of housing?

Program funds may be used to assist in the rehabilitation of owner-occupied single-family homes. Unfortunately, mobile homes are excluded.

What if there are others named on the deed but who do not live at the subject property?

Anyone whose name appears on the deed but does not occupy the property must provide proof that they live elsewhere. (i.e., copy of driver's license, utility bill, notarized statement or other evidence they live elsewhere).

What type of assistance is available?

The funding addresses critical repairs, including but not limited to: Mold Remediation

Gas leaks, Roof repair and replacement, Gutters, Asbestos abatement, Vermiculite removal, Lead abatement, Combustion appliance repair and replacement for Health and Safety concerns, including gas ranges, domestic water heaters, and space heat, HVAC replacement for end of service life. Chimney Repair, Foundation and sub-space water-proofing, and drainage, inclusive of bulk water mitigation by drain tile, sump pump, and minor grading, Radon mitigation, Electrical hazard, Knob, and tube removal, inclusive of necessary service upgrades, Electrical upgrades for future home electrification. (<100A to 200A upgrades, Plumbing issues, Water and well, Septic and sewer, Windows and doors only for H&S, water intrusion, and security, Structural repair - atrophy, rot, insect, settling, storm-related, Access for disabled and seniors, inclusive of Chair lifts, handicap ramps, bars, railings, and doors, Fall and injury prevention (handrails, rubber treads, bathroom grab bars), Ductwork upgrades and installations (primarily for solid fuel-burning households- Mainly in Allegany and Garrett counties), Building shell stabilization (i.e. repair/replace missing sheetrock on exterior walls, point up deteriorated masonry that allows for water infiltration), Pest treatments (rats, roaches, and mice).

Are these funds available to remodel my home?

No, these funds are available exclusively to address critical repairs and access for seniors to age in place.

Is this exclusively a loan or are grants available?

The Maryland Housing Rehabilitation Program is primarily designed to provide affordable loans. However, in some cases grants are available. Whether a loan or grant is provided is determined by the program review based on affordability and program guidelines.

How much can I borrow?

Generally, the maximum loan is \$50, 000, or up to 110% percent of the equity of your home, whichever is less. The loan uses the equity of your home as collateral.

What are the loan terms?

Loans have interest rates based on the income of tenants served and the projected income available to repay the loan. Generally, the maximum loan is \$50, 000. Loans in excess of \$5,000 or with deferred payments are secured by a mortgage. Interest rates range from 0% to 6% and are based on the applicant's ability to pay. The maximum loan term is 30 years. Loans that serve families with incomes at

or below 50 percent of the statewide or Washington, D.C. Metropolitan Statistical Area median income may have deferred payments if necessary for project feasibility.

Is there a minimum or maximum amount of assistance?

There will be a maximum of \$50,000 available per household. There is a minimum of \$5,000

Is there a minimum credit score for this assistance?

There is no minimum credit score. We cannot assist if there is an active Bankruptcy or Foreclosure. Both must be dismissed for a minimum of 2 years before we can assist.

Is there a lien on my property?

For loans, there will be a deed of trust recorded.

Who is responsible for selecting the contractor?

At the time of application, the applicant will be responsible to provide at least one estimate from a Maryland licensed Home Improvement Contractor within the past 60 days for the work they would like addressed. Along with the work proposal, the contractor will have to complete the bid form and supply the following information:

- Current MHIC License or Electrical, Plumbing, HVAC license, etc. Trade License Query
- COI - Certificate of Liability Insurance
- Letter of Good Standing - <https://egov.maryland.gov/BusinessExpress/EntitySearch>
- Federal Form W-9, completed and signed by the contractor. The address on this form is where payments will be sent.

To aid the applicants in finding a contractor, we provide the following links:

- <https://www.yellowpages.com/>
- <https://www.yelp.com/>
- <https://www.angi.com/>
- <https://www.thumbtack.com/>

For each of these resources, type the trade that you need and the location.

Our in-house staff will review the estimate to verify the work meets the requirement of health and safety needs and verifying that contractor meets the requirements to do business with the State of Maryland

What if there are other repairs that are outside of health and safety that I would like to be considered for repair?

While this funding will not be addressing those repairs; we have a portfolio of products in our division that you might be eligible for. Those programs do have other eligibility requirements but one of the DHCD staff members will explain what might be available and how to apply.

<https://dhcd.maryland.gov/Residents/Pages/WholeHome.aspx>

If approved for funding, what documents am I responsible for signing?

Once the funding is approved; the following items are required for signing: (a) Commitment letter; (b) Rehabilitation contract; (c) Construction agreement; and (d) w-9 form.

How does a homeowner apply?

An applicant must complete the Maryland Housing Rehabilitation Program application and provide the following items: (1) income documentation; (2) at least one detailed estimate within the past 60 days from a licensed Maryland Home Improvement Contractor for health and safety repairs with photo documentation. The Contractor must also complete the Bid Form and supply the following documentation: Professional license, insurance, "In Good Standing" Letter, and executed w-9.

Where do I get the application?

Applicants should contact their local housing office or the Maryland Department of Housing and Community Development's Special Loan Programs at 1-877-218-8101.

Maryland Housing Rehabilitation Program loans are originated, packaged, and closed by the Maryland Department of Housing and Community Development Special Loan Programs network of local administering agencies. The network includes the county housing and community development offices as well as nonprofit organizations.

List of local contacts by County:

<https://dhcd.maryland.gov/Residents/Pages/mhrp-sf/contactlist.aspx>

Is there a checklist to ensure that I submit a complete application?

Applicants should use this checklist, included in the application to ensure that they submit a complete application to avoid any delays in processing.

MARYLAND HOME REHABILITATION PROGRAM APPLICATION CHECKLIST

All of the requested documentation is required and must be submitted with the application. Incomplete applications will not be processed.

<i>Income Verification Documents (select applicable income documentation):</i>	
<input type="checkbox"/>	The most recent two-months' worth of paystubs (8 for weekly pay, 4 for bi-weekly pay) for each employed member of the household earning an income. If paystubs are not available, a letter verifying employment signed by the employer may be substituted.
<input type="checkbox"/>	Provide the most recent 2 years' worth of Federal Income Tax Returns. These must be the complete tax return.
<input type="checkbox"/>	Provide the most recent 2 months' worth of bank statements.
<input type="checkbox"/>	If you have income from Social Security, disability, pension, or public assistance include copies of your award letters, and current statements verifying the gross income.
<input type="checkbox"/>	Reporting of other income received outside of employment sources.
<input type="checkbox"/>	Documentation if receiving unemployment benefits.
<input type="checkbox"/>	If you are reporting no income, you must include a signed and notarized Zero Income Statement. https://mmp.maryland.gov/Lenders/Loan%20Documentation/No-Income-Letter.pdf
<i>Documentation of Home Ownership</i>	
<input type="checkbox"/>	To prove home ownership, provide a copy of the deed, and the current mortgage statement. Funding is <u>only</u> available to homeowners to address critical repairs on their primary residence.
<input type="checkbox"/>	If a person is on the deed, but not this application, proof must be provided by way of a copy of their license or a piece of mail documenting their different address. If the person is deceased, a copy of the death certificate must be provided.
<input type="checkbox"/>	Copy of your most recent Property Tax Bill.
<input type="checkbox"/>	Copy of the Declaration Page of your Homeowners Insurance Policy. Copy of your Flood Insurance Policy if applicable.
<i>Documentation for Critical Repairs</i>	
<input type="checkbox"/>	The lowest qualifying bid from a licensed Maryland tradesperson or company identifying the repairs to be addressed with program funding. Bid should not be more than 60 days old. The grand total of all bids should not exceed \$50,000.
<input type="checkbox"/>	The completed "Bid Cover Page" (page 9 of this application), <u>per contractor</u> , with their bid attached.
<input type="checkbox"/>	The bid must include photographs that document the critical repairs, the contractor's phone number and email address.
<input type="checkbox"/>	In addition, every contractor <u>must</u> provide these documents together with their bid: <ul style="list-style-type: none"> • A copy of the current MHIC License or Electrical, Plumbing, HVAC license, etc. Trade License Query • COI - Certificate of Liability Insurance (Current w/ per occurrence limits equal to or greater than \$1m) • Letter of Good Standing https://egov.maryland.gov/BusinessExpress/EntitySearch • W-9, completed and signed by the contractor. The address on this form is where payments will be sent. Form W-9

INCOME LIMITS AS OF JULY 1, 2024

**MARYLAND HOUSING REHABILITATION PROGRAM, INDOOR PLUMBING PROGRAM,
ACCESSIBLE HOUSING FOR SENIORS PROGRAM,
LEAD HAZARD REDUCTION GRANT AND LOAN PROGRAM**

**INCOME LIMITS FOR 80% OF MEDIAN INCOME
INTEREST RATE RANGE 4.5% - 6.0%**

HOUSEHOLD SIZE	MAXIMUM INCOME WASHINGTON, DC PMSA*	MAXIMUM INCOME REST OF STATE
1 PERSON	\$68,500	\$68,500
2 PERSONS	\$78,250	\$78,250
3 PERSONS	\$88,050	\$88,050
4 PERSONS	\$97,800	\$97,800
5 PERSONS	\$105,650	\$105,650
6 PERSONS	\$113,450	\$113,450
7 PERSONS	\$121,300	\$121,300
8 PERSONS	\$129,100	\$129,100

*INCLUDES CALVERT, CHARLES, FREDERICK, MONTGOMERY AND PRINCE GEORGE'S COUNTIES

**INCOME LIMITS FOR 60% OF MEDIAN INCOME
INTEREST RATE RANGE 0% - 4.5%**

HOUSEHOLD SIZE	MAXIMUM INCOME WASHINGTON, DC PMSA*	MAXIMUM INCOME REST OF STATE
1 PERSON	\$59,580	\$47,970
2 PERSONS	\$68,110	\$54,790
3 PERSONS	\$76,640	\$61,670
4 PERSONS	\$85,110	\$68,490
5 PERSONS	\$91,930	\$74,000
6 PERSONS	\$98,760	\$79,500
7 PERSONS	\$105,580	\$84,950
8 PERSONS	\$112,400	\$90,450

*INCLUDES CALVERT, CHARLES, FREDERICK, MONTGOMERY AND PRINCE GEORGE'S COUNTIES

**INCOME LIMITS FOR 50% AND 30% OF MEDIAN INCOME
MAY BE ELIGIBLE FOR DEFERRED PRINCIPAL AND
INTEREST FOR BORROWERS WITH NO REPAYMENT CAPABILITY**

HOUSEHOLD SIZE	MAXIMUM INCOME WASHINGTON, DC PMSA*		MAXIMUM INCOME REST OF STATE		200% POVERTY
	50% AMI	30% AMI	50% AMI	30% AMI	STATEWIDE
1 PERSON	\$54,150	\$32,500	\$43,600	\$26,150	\$32,120
2 PERSONS	\$61,900	\$37,150	\$49,800	\$29,900	\$40,880
3 PERSONS	\$69,650	\$41,800	\$56,050	\$33,650	\$51,640
4 PERSONS	\$77,350	\$46,400	\$62,250	\$37,350	\$62,400
5 PERSONS	\$83,550	\$50,150	\$67,250	\$40,350	\$73,160
6 PERSONS	\$89,750	\$53,850	\$72,250	\$43,350	\$83,920
7 PERSONS	\$95,950	\$57,550	\$77,200	\$46,350	\$94,680
8 PERSONS	\$102,150	\$61,250	\$82,200	\$49,350	\$105,440

*INCLUDES CALVERT, CHARLES, FREDERICK, MONTGOMERY AND PRINCE GEORGE'S COUNTIES